

Germany Wins Euro 96 With a 'Golden Goal'

By Ian Thomsen
International Herald Tribune

LONDON — The "Golden Goal" does exist after all, to Germany's delight, though a doubt was raised with the linesman's flag in the arguable conclusion to the European Championship final on Sunday night.

Five minutes into extra time, the German substitute Oliver Bierhoff pivoted around the defender Miroslav Kadlek and rammed his second goal in 22 minutes through a pair of gloved hands held up as if confronted by a gun. The ball trickled just inside the goal-keeper's far left post to complete the 2-1 comeback victory over the underdog Czech Republic for Germany, its third European title overall — two more than any other country — and the first for Bert Vogts, the beleaguered coach who in that moment fell in step with his German predecessor legends.

As Bierhoff screamed, he didn't notice the orange flag of the Italian linesman Donato Nicoletti held up in silent veto. Neither did the Italian referee, Pierluigi Pairetti, not until the Czech coach Dusan Uhrin stood stubbornly alongside the linesman, whose flag had gone down in a stuttering moment of doubt before popping back up again. By now the penalty box was



Jürgen Klinsmann, left, captain of the German soccer team, raising the trophy presented to him Sunday by Queen Elizabeth II at Wembley Stadium. Also celebrating is Andreas Köpke, right, the German goalkeeper.

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Yeltsin III? He Produces 'Interview' To Reassure

By David Hoffman
Washington Post Service

MOSCOW — President Boris N. Yeltsin of Russia remained in seclusion Sunday amid deepening speculation that he had fallen ill just before the deciding run-off vote Wednesday for the Russian presidency.

By law, campaigning for the election ends Monday night. This meant that Mr. Yeltsin had only a day left for formal campaigning, although he is not precluded from "official" activities as president on Tuesday.

His Communist Party rival, Gennadi A. Zyuganov, has asserted that Mr. Yeltsin is not fit to rule the country.

Mr. Yeltsin failed to show up at a festival in Moscow on Sunday sponsored by a newspaper, Moskovski Komsomolets, which has been a vigorous advocate of his re-election. Aides had said Mr. Yeltsin lost his voice last week.

Alexander I. Lebed, a retired general who who placed third in the first round of the presidential voting and was then appointed Mr. Yeltsin's security adviser, has repeatedly appeared in public in recent days.

In a television broadcast Saturday night, he suggested that Russia should create an office of vice president, for which would he would be eminently suited.

A source close to the Yeltsin campaign said the president's team is worried that his supporters might fail to go to the polls during the second round of the election on July 3 if they think Mr. Yeltsin is seriously ill.

According to the same source, Mr. Yeltsin's team is hoping it can demonstrate his vitality just as a new wave of anti-Communist, anti-Zyuganov cam-

See YELTSIN, Page 10

The Year Begins for Hong Kong

By Edward A. Gargan
New York Times Service

HONG KONG — Tucked among the coffin makers just off Wing Lok Street, on the edge of a hanky-sized park where old men play Chinese chess, a fading photograph shows a waterfront site, Possession Point, the spot where the British flag was first planted by Captain Edward Belcher at 8:15 A.M. on Jan. 26, 1841.

Today, Possession Point — now Hollywood Road Park — is well inland from Hong Kong's shrinking harbor and the coffin makers lounge on low stools, smoke from their loosely fingered cigarettes drifting in the thick humidity, as they wait for their next customers and watch the last faint moments of British rule unwind.

One year from now, at midnight's stroke on June 30, 1997, the territory's last colonial governor will sail from

Hong Kong, relinquishing Britain's final Asian outpost and its 6.2 million people to one of the world's last remaining Communist regimes. It is a moment that is riveted in people's minds and emotions, a date with a destiny many fear and others exult in.

In Beijing, where an immense digital clock flicks glowing red seconds inexorably toward zero hour, Hong Kong's return to China will be a decisive righting of historical wrongs, a piece of the motherland's shattered after Britain forced China to buy its opium. The "yoke of colonialism," as Zhou Nan, China's senior official here, repeatedly puts it, is being shaken off.

Under that yoke, however, Hong Kong has become Asia's preeminent financial center, a city feverishly at work on the globe's largest infrastructure project, involving a new airport, town, railroads, two immense bridges and two tunnels under Hong Kong's

harbor. Hong Kong is the place where money is made with relish and spent with abandon, where a two-bedroom apartment can run \$10,000 a month and tycoons tool around in limousines originally designed for the Japanese emperor.

Yet even in this city of soaring financial prowess, pride at the ending of colonialism is stirred by a widening sense of apprehension about the future under a Communist sovereign.

"I'm very pessimistic about the near future," said Martin C.M. Lee, leader of Hong Kong's Democratic Party, the party that won the largest number of seats in last year's legislative elections. "They don't trust us, so they want to control us from Beijing."

Indeed, after 14 years of preparing to retake Hong Kong, virtually none of

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Pro-democracy activists marching Sunday in Hong Kong to protest China's plan to scrap the legislature.

Microbe Breaches Food Safety Barrier

By Lawrence K. Altman
New York Times Service

NEW YORK — Federal officials are working on an urgent program to test food and food-related items for an exotic microbe that is known or suspected to have made more than 1,000 people ill in 11 states.

Investigators also are shifting the focus of their suspicions from strawberries to raspberries as the source.

The microbe, known as cyclospora, is

a parasite that infects the intestine and can cause intense diarrhea, weight loss and fatigue. It has caused three previous outbreaks of disease in the United States, but the recent ones are by far the largest.

This country's food supply is considered safe.

But Dr. Stephen Ostroff of the Centers for Disease Control and Prevention in Atlanta and other federal officials have said that the cyclospora outbreak "highlights the potential vulnerability" of the food supply when a crack appears in safety barriers.

The epidemic is yet another in a long line of new and emerging infections like Legionnaire's disease and AIDS that have struck this and other countries in recent years.

Despite warnings about such diseases, the current cyclospora outbreak has caught health officials by surprise. They say that parasites are rarely the cause of large food-borne outbreaks and that this is the first major national one in recent years. An outbreak of cryptosporidiosis in the Milwaukee water supply in 1993, from a Lake Michigan intake, made 400,000 people sick.

Tracking the route by which cyc-

lospora is penetrating the food supply is proving difficult for several reasons.

One is that it takes a week for a person to become sick. Several more days can pass before cases are reported. That can leave investigators trying to identify contaminated food and trace its source with trails that have gone cold and memories that are hazy.

Patients in some outbreaks have said they recall eating strawberries, but in investigations of more-recent outbreaks raspberries have emerged as prime suspects. It is not yet clear whether the disease shifted from one type of berry to the other, or whether it was in raspberries all along. It is also possible that other fruits are involved.

Health officials have not found cyclospora in any raw fruit. It might be that so few microbes are required to infect a person that they escape detection by current techniques.

Health officials are trying to rush into the field a sophisticated research technique known as polymerase chain reaction, or PCR, that could detect even a single microbe. The Food and Drug Administration has asked six laboratories to use the PCR test to try to detect cyclospora on fruit.

AGENDA

Simitis to Lead Greek Socialists

ATHENS (Reuters) — Prime Minister Costas Simitis won his "all or nothing" gamble on Sunday and was elected leader of the Socialist Party, party officials said. He replaces the late Andreas Papandreu.

Mr. Simitis, 60, had vowed to resign if he failed to win control of the Socialist Party machine in a close fight against Interior Minister Akis Tsouatzopoulos.

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Karadzic Steps Aside As Bosnia Serb Chief

West's Sanctions Now 'on Hold,' Bildt Says, After Power Transfer

By John Pomfret
Washington Post Service

SARAJEVO, Bosnia-Herzegovina — Radovan Karadzic, the Bosnian Serb leader, has been replaced by a hard-line nationalist colleague, Western officials said Sunday, in a move masterminded by Mr. Karadzic to stave off the resumption of crippling economic sanctions and fragment an international consensus against a man accused of genocide and crimes against humanity.

In a maneuver typical of his knack for squirming out of tight spots, Mr. Karadzic announced that Biljana Plavsic, a 66-year-old biology professor and former Fulbright scholar, would take his job as president of the Bosnian Serbs. But in a written statement sent to Carl Bildt, who is running the civilian effort to keep the peace in Bosnia, he did not formally resign, but rather transferred authority to Mrs. Plavsic because of a "temporary inability to perform" functions.

Mr. Karadzic's move put the Western powers in a difficult position, diplomats said. Under the terms of the Bosnian peace accords, President Slobodan Milosevic of Serbia was to engineer Mr. Karadzic's arrest by the International War Crimes Tribunal at The Hague in December, when the deal was signed in Paris, or face sanctions.

Confronted with Mr. Milosevic's unwillingness to comply, Mr. Bildt modified that demand and said that if Mr. Karadzic permanently left his position as president, the threat of sanctions would be dropped.

But, the diplomats said, nobody really wanted to reimpose sanctions. Such an act — against Yugoslavia and the Bosnian Serbs — would signify real problems with the Dayton peace accord, expose rifts among the Western powers and Russia and potentially jeopardize Mr. Milosevic's cooperation with the West.

So, the officials said, Mr. Bildt was forced to modify his position again and approve Mr. Karadzic's transfer of authority. He did so Sunday in a statement.

Colum Murphy, Mr. Bildt's chief spokesman, confirmed that the threats of sanctions "are on hold."

"Bildt has been shafted by the West," said an official close to the Swedish diplomat. "Sanctions should have been placed on the Serbs immediately because this just isn't good enough. But no one backed him up."

One Western official said Mr. Karadzic's move was simply a replay of his

An election may ratify a Bosnian town's ethnic partition. Page 5.

decision on May 18 to hand over "some duties" to Mrs. Plavsic, which was rejected at the time by Mr. Bildt.

"The only difference was that he put it in writing this time," the official said. "But we're all desperate for good news, so Bildt had to accept it."

Indeed, sources said Mr. Bildt's announcement was delayed to give the impression that Western unity against Mr. Karadzic was paying off. On Saturday, leaders of the Group of Seven, the world's leading industrialized powers, demanded that Mr. Karadzic "renounce definitively and immediately all public functions" and "pass all of his powers to new officials."

But the officials said that Mr. Karadzic's letter announcing his transfer of authority to Mrs. Plavsic was received by Mr. Bildt's office on Wednesday and was held for several days to give Western leaders at the G-7 summit meeting a chance to make a pronouncement on the subject. A copy of Mr. Karadzic's statement, obtained by The Washington

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The G-7 Summit in Lyon: Very Few Real Decisions

By Alan Friedman
International Herald Tribune

LYON — The G-7 summit process is under fire, and the just concluded annual meeting here of the leaders of the world's seven richest industrial democracies did little to redeem it.

The Lyon meeting produced precious few real decisions, and several vaguely worded compromises on important trade and financial matters. Instead, the summit resulted in tons of paper, a hand-

case at G-7 gatherings, which were designed 22 years ago as an informal opportunity for leaders to set policy priorities but which have since mutated into unwieldy, all-purpose, ragbag media events.

But this year the desire to stick to lowest-common-denominator homilies at Lyon may have been dictated partly by electoral politics in the United States, Japan, Britain and Russia.

That is not to say Lyon was a complete waste of time.

As Italy's foreign minister, Lamberto Dini, a veteran G-7 participant, put it: "Not all of these summits produce major decisions, but I continue to believe they are useful."

In political terms, it would be wrong to underestimate the importance of the G-7's threat to reimpose sanctions unless the Bosnian Serb leader, Radovan Karadzic, gives up power.

And on the economic front, there is no doubt that during the year G-7 finance ministers and central bankers try to work together to coordinate foreign exchange and growth policies.

But given the time and money spent on the Lyon meeting, it seemed for the most part to have been an apparently insubstantial talkfest.

Indeed, several G-7 officials, none of

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Taking EU Helm, Dublin Chief Looks for Common Ground

By Tom Buerkle
International Herald Tribune

DUBLIN — Despite his country's position as a small-scale player on the fringe of the European Union, Prime Minister John Bruton promises to go to the heart of the debate over the bloc's future as Ireland takes over the EU presidency on Monday.

The centrist politician casts himself more as a mediator than a firm leader, seeing his mission as one to reconcile two yawning political gaps that threaten to undermine four decades of European integration.

The first is the fissure between Britain and continental countries over the pace and extent of EU integration, which remains wide despite the recent truce over British beef.

Taking the optimistic view that those differences are "arguments about, rather than for and against, Europe," Mr. Bruton said he was well placed to find common ground. By virtue of their shared history, Ireland understands Britain's ambivalence over the pooling of

sovereignty within Europe and its laissez-faire approach to economics.

At the same time, Ireland owes its economic resurgence over the past decade to a pact between government, business and labor that is inspired by the consensus model of European economic and political management.

"We may be able to bridge the intellectual and conceptual gap to some degree," Mr. Bruton said last week.

The second problem Mr. Bruton believes he can solve is the divide between a skeptical European public fearful for their jobs and safety, and a remote EU leadership.

Mr. Bruton said he would urge fellow leaders to adopt a simple motto to sell the benefits of the Union: "Secure peace in Europe, safe streets for Europe's citizens, sound money in citizens' pockets and secure jobs."

"The European public needs to see what the Union is doing in personal terms," he added.

Mr. Bruton's fresh, no-nonsense ap-

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80 Years Ago, the Somme/ A Defining Moment

The British Army's Greatest Tragedy

By Barry James
International Herald Tribune

LA BOISSELLE, France — For weeks, weary coal-miners from northern England had burrowed deep under this sleepy hamlet in northern France to place two gigantic mines containing more than 100,000 tons of high explosives beneath the front-line of enemy German troops.

The mines went off with a shattering roar at 7:28 A.M. 80 years ago on Monday, marking the start of the Somme offensive, one of the most tragic and wasteful military campaigns then or ever.

It was a defining moment in 20th century history. The offensive by British and French troops against German invaders, with its horrendous loss of life, its tank and aerial warfare, its poison gas and knee-high cloying mud, ended forever the illusion that war could in any way be ennobling or chivalrous.

Before it was over in 1918, the Somme campaign was to consume at least 1.3 million lives for the gain of territory that can today be traversed by car in a few minutes. With troops and workers from British and French colonies, men from 35 nations — including the United States from 1917 — were involved in the battle.

As the debris from the mines settled, thousands of volunteer British infantrymen scrambled out of their trenches and, to the shrieking of bagpipes, set off at a slow pace across the half mile that separated them from the German lines.

They thought they had little to fear. Their commander, Lieutenant General Sir Henry Rawlinson had cheerfully announced that they "would only have to walk over and take possession." For nearly a week, British artillery had softened up the German lines with 1.5 million heavy shells. Without bothering to check, the British high command blithely calculated that such a pounding, plus the psychological effect of the mine explosions, would crush all resistance.

But the Germans survived the ferocious bombardment in their deep, reinforced

bunkers. When they put their heads above the parapet, they looked out on the extraordinary sight of wave after wave of men plodding calmly shoulder to shoulder across no-man's land as though on parade.

The Germans mounted their machine guns and opened fire, and still the well-dressed formations kept marching slowly forward. As comrades started to fall all around him, one British veteran thought that orders had been countermanded and that the soldiers were supposed to lie down instead of walk.

It was the British army's greatest tragedy, then or since. In a single day, the British empire lost 57,470 men — 19,240 killed, 35,493 wounded, 2,152 missing, and 585 taken prisoner: more losses in 24 hours than in the entire Boer War.

Unlike the conscript German and French armies, Britain's divisions were manned by quondam civilians, 2.5 million of whom had volunteered in a blaze of patriotic fervor, jingoism and Homeric optimism. But cynicism set in amid the senseless slaughter, and toward the end the angry voice of poets spoke louder than the guns to populations sick of death.

Wilfred Owen decried the "old lie" that it was sweet and befitting to die for one's country — "dulce et decorum est Pro Patria mori."

Many men came to feel they had gone to war for "an old bitch gone in the teeth," for a botched civilization, "as Ezra Pound put it.

Large parts of the French army mutinied in 1917 against the idea of any more futile attacks. An Australian officer wrote home about the "murder" of many of his friends "through the incompetence, callousness and personal vanity of those in high authority."

Official reports after the war confirmed the cynics' view. Britain's officer class, selected for posh accents and good breeding rather than military prowess, ignored and even resented intelligence reports about the extent of German defenses. When battalions "reported that the enemy machine-guns had not been silenced (they) were told by the divisional staff that they were scared," the British official history said.

Reporting on the loss of 23,000 soldiers, the Australian official history said, "to throw the several parts of an army corps, brigade after brigade, twenty times in succession against one of the strongest points in the enemy's defense, may certainly be described as 'methodical,' but the claim that it was economic is entirely unjustified."

The German command was just as obtuse. It decreed that any officer who gave up a single centimeter of trench would be court-martialed.

"Capture of prisoners, but not the heavy casualties, were regularly reported," said the British history.

But it was impossible to keep the losses secret. To encourage volunteers, the War Office had promised that groups of men who joined up together would remain together. Battalions were made up of neighbors and workmates — The Manchester Pals, the Grimsby Chums, the Glasgow Tramways. Whole football teams, school classes and the young men of entire towns were killed or crippled. The 5,500 casualties suffered by the 36th (Ulster) Division plunged the province into mourning. On the first day, 32 battalions, of about 800 men apiece, each suffered more than 500 casualties.

The impact was equally dramatic in the rest of Europe. The "marching machine" of Verdun, which the Somme offensive was intended to relieve, the Somme offensive itself, and other World War I disasters turned France into a nation of old men and invalids. "Too few allies, too few weapons, too few babies," was how Marshal Philippe Pétain explained France's defeat in World War I.

A major factor in breaking the deadlock of trench warfare was the introduction of "land ships" — code-named tanks — by Britain in September. High British officers, particularly the cavalrymen, distrusted the unreliable, ungainly machines and used them sparingly and badly.

Nevertheless, the mere appearance of one of the machines, belching streams of machine-



One of a series of engravings of the Battle of the Somme in which the artist Otto Dix took part. The First World War battle started 80 years ago on Monday and raged for 18 months, consuming 1.3 million lives.

gun bullets, was sometimes enough to send enemy troops into panic-stricken retreat. Fortunately for the allies, Germany's high command, believing that the mechanization of warfare would be bad for the morale of the troops, was even more distrustful of land-ships than the British generals, and never produced an effective tank of their own.

But an obscure French officer called Charles de Gaulle noted the potential of the tank for mobile warfare and later set down his views in a book that was ignored by the French high command, which clung to the idea of static defense. Another participant in the Great War, an Austrian corporal called Adolf Hitler, also saw the potential of the tank. When mechanized German columns invaded France in 1940, they easily ran round the massive chain of defenses known as the Maginot Line.

Few writers better described the shell-pocked moonscape of the Somme than John

Masefield, yet he predicted in 1917: "When the trenches are filled in and the plow has gone over them the ground will not keep the look of war. One summer with its flowers will cover most of the ruin that man can make, and then these places, from which the driving back of the enemy began, will be hard indeed to trace, even with maps."

He was right. The Lochnagar mine crater at La Boisselle, 300 meters in circumference and 40 meters deep, is one of the few visual reminders of the conflict, apart from the cemeteries at every corner. Fields of acid yellow rape and golden wheat ringed with poppies stretch in every direction, and larks sing in the sky.

But up the road, near the looming Thiepval memorial to 73,367 British and empire dead without a known grave, a shell protrudes from a roadside ditch. Eighty years on, farmers still reap a bitter harvest of unexploded munitions.

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Indonesian Airline Switches Planes for Flights to Japan

JAKARTA (AP) — The state-owned airline Garuda Indonesia has switched to Boeing 747s for flights to Japan after one of its DC-10s crashed in southern Japan in mid-June, the official Antara news agency reported Sunday.

"The discontinuation of the flights to Japan, with DC-10 aircraft, is to meet a request from the Japanese government, apparently as the accident is still fresh in their minds," it quoted Joop Ave, minister of tourism, post and telecommunications, as saying in Cilacap, central Java.

The crash on takeoff from Fukuoka on June 13 killed 3 people and injured more than 100.

Japanese Transport Ministry officials at Fukuoka said Garuda was operating three flights a week to the southern Japanese city using Boeing 747s or McDonnell Douglas MD-11s.

They declined to say whether Tokyo had requested the change, but said other airlines flew DC-10s into Fukuoka regularly.

324 Die as Floods Batter Yemen Region

SAN'A, Yemen — The worst floods to hit the impoverished Arab state of Yemen in three decades have killed 324 people and made several thousand families homeless, a Yemen Red Crescent official said Sunday.

The floods began in mid-June, caused by unusually heavy rains. Yemen's government has appealed to the international community for assistance.

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TRAVEL UPDATE

Union Vows to Strike at JFK

NEW YORK (NYT) — The union workers who fuel the airplanes at John F. Kennedy International Airport have threatened to walk off the job Monday because of a labor dispute with their employer, Ogdan Allied Building and Airport Services.

Teamsters Local 553, which represents the workers, could not be reached for comment. But a spokesman for the Port Authority of New York and New Jersey, which runs the region's airports, said he did not believe a strike would disrupt flights.

"If there is a strike," he said, "we do not expect any disruptions."

A spokesman for American Airlines said the airline was hopeful that Ogdan would find enough workers to insure that the planes received the required services. But he said he could not guarantee that flights would not be affected.

Air France Europe Back Aloft

PARIS (AFP) — Services on Air France Europe have resumed a day after its planes were grounded

by a strike, and extra flights were added to make up the backlog.

Management at the state-owned company, formerly known as Air Inter, scrapped all flights Friday after trade unions announced a strike.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Bangladesh, Botswana, Burma, Canada, Colombia, Ghana, Guatemala, Lesotho, Pakistan, Rwanda, Suriname, Taiwan, Thailand, Zambia.

TUESDAY: Zambia.

THURSDAY: Bosnia-Herzegovina, Puerto Rico, Rwanda, Serbia, United States.

FRIDAY: Algeria, Armenia, Australia, Czech Republic, Slovakia, Venezuela.

SATURDAY: Czech Republic, Lithuania.

Sources: J.P. Morgan, Reuters, Bloomberg

WEATHER

Europe

	Today		Tomorrow		Wind
	High	Low	High	Low	
Algeria	20/22	21/70	22/24	25/68	
Amsterdam	13/14	10/52	17/22	13/53	
Athens	22/21	84/66	27/26	23/63	
Bahia	27/28	81/69	27/28	81/69	
Barcelona	21/20	18/64	27/25	21/70	
Bombay	27/28	81/69	27/28	81/69	
Buenos Aires	21/20	18/64	27/25	21/70	
Calcutta	27/28	81/69	27/28	81/69	
Delhi	27/28	81/69	27/28	81/69	
London	17/22	13/53	19/25	15/52	
Madras	27/28	81/69	27/28	81/69	
Moscow	17/22	13/53	19/25	15/52	
New York	21/20	18/64	27/25	21/70	
Osaka	27/28	81/69	27/28	81/69	
Paris	17/22	13/53	19/25	15/52	
Rangoon	27/28	81/69	27/28	81/69	
San Francisco	17/22	13/53	19/25	15/52	
Singapore	27/28	81/69	27/28	81/69	
Tokyo	27/28	81/69	27/28	81/69	

Unseasonably Cold

Unseasonably Hot

Heavy Rain

Heavy Snow

Asia

	Today		Tomorrow		Wind
	High	Low	High	Low	
Bangkok	30/28	24/76	30/28	24/76	
Beijing	31/28	16/56	30/21	22/73	
Hong Kong	30/28	24/76	31/28	24/76	
Manila	32/27	24/76	31/28	24/76	
New Delhi	34/26	22/62	34/22	20/70	
Osaka	30/28	24/76	31/28	24/76	
Shanghai	30/26	22/62	31/28	24/76	
Singapore	30/28	24/76	31/28	24/76	
Tokyo	30/28	24/76	31/28	24/76	

Unseasonably Cold

Unseasonably Hot

Heavy Rain

Heavy Snow

Latin America

	Today		Tomorrow		Wind
	High	Low	High	Low	
Buenos Aires	12/22	58/42	14/27	64/50	
Bogota	72/68	24/16	72/68	24/16	
Lima	14/24	58/42	14/27	64/50	
Mexico City	72/68	24/16	72/68	24/16	
Rio de Janeiro	14/24	58/42	14/27	64/50	
Santiago	14/24	58/42	14/27	64/50	

Unseasonably Cold

Unseasonably Hot

Heavy Rain

Heavy Snow

North America

Heat will remain across the southern Plains and build west into the Southwest and California. New York City will be partly sunny Tuesday and Wednesday with a shower possible. Paris, Amsterdam and Berlin will also be mostly cloudy and cooler. Los Angeles and Madrid will be sunny with a good deal of sunshine.

Europe

	Today		Tomorrow		Wind
	High	Low	High	Low	
Algeria	20/22	21/70	22/24	25/68	
Amsterdam	13/14	10/52	17/22	13/53	
Athens	22/21	84/66	27/26	23/63	
Bahia	27/28	81/69	27/28	81/69	
Barcelona	21/20	18/64	27/25	21/70	
Bombay	27/28	81/69	27/28	81/69	
Buenos Aires	21/20	18/64	27/25	21/70	
Calcutta	27/28	81/69	27/28	81/69	
Delhi	27/28	81/69	27/28	81/69	
London	17/22	13/53	19/25	15/52	
Madras	27/28	81/69	27/28	81/69	
Moscow	17/22	13/53	19/25	15/52	
New York	21/20	18/64	27/25	21/70	
Osaka	27/28	81/69	27/28	81/69	
Paris	17/22	13/53	19/25	15/52	
Rangoon	27/28	81/69	27/28	81/69	
San Francisco	17/22	13/53	19/25	15/52	
Singapore	27/28	81/69	27/28	81/69	
Tokyo	27/28	81/69	27/28	81/69	

Unseasonably Cold

Unseasonably Hot

Heavy Rain

Heavy Snow

Asia

Hot and humid at Shanghai and Canton with the onset of a thunderstorm each day. Beijing will be sunny and hot with highs in the low to mid 90s each day. Seoul and Tokyo will be partly sunny, warm and hot with a shower each day. Singapore and Hong Kong will be sunny each day. Comfortable at Sapporo with a few showers.

Latin America

	Today		Tomorrow		Wind
	High	Low	High	Low	
Buenos Aires	12/22	58/42	14/27	64/50	
Bogota	72/68	24/16	72/68	24/16	
Lima	14/24	58/42	14/27	64/50	
Mexico City	72/68	24/16	72/68	24/16	
Rio de Janeiro	14/24	58/42	14/27	64/50	
Santiago	14/24	58/42	14/27	64/50	

Unseasonably Cold

Unseasonably Hot

Heavy Rain

Heavy Snow

North America

	Today		Tomorrow		Wind
	High	Low	High	Low	
Anchorage	15/20	10/52	19/24	9/44	
Boston	27/27	17/55	28/24	19/55	
Calcutta	27/28	81/69	27/28	81/69	
Dallas	27/28	81/69	27/28	81/69	
Denver	27/28	81/69	27/28	81/69	
London	17/22	13/53	19/25	15/52	
Madras	27/28	81/69	27/28	81/69	
Moscow	17/22	13/53	19/25	15/52	
New York	21/20	18/64	27/25	21/70	
Osaka	27/28	81/69	27/28	81/69	
Paris	17/22	13/53	19/25	15/52	
Rangoon	27/28	81/69	27/28	81/69	
San Francisco	17/22	13/53	19/25	15/52	
Singapore	27/28	81/69	27/28	81/69	
Tokyo	27/28	81/69	27/28	81/69	

Unseasonably Cold

Unseasonably Hot

Heavy Rain

Heavy Snow

Europe

	Today		Tomorrow		Wind
	High	Low	High	Low	
Algeria	20/22	21/70	22/24	25/68	
Amsterdam	13/14	10/52	17/22	13/53	
Athens	22/21	84/66	27/26	23/63	
Bahia	27/28	81/69	27/28	81/69	
Barcelona	21/20	18/64	27/25	21/70	
Bombay	27/28	81/69	27/28	81/69	
Buenos Aires	21/20	18/64	27/25	21/70	
Calcutta	27/28	81/69	27/28	81/69	
Delhi	27/28	81/69	27/28	81/69	
London	17/22	13/53	19/25	15/52	
Madras	27/28	81/69	27/28	81/69	
Moscow	17/22	13/53	19/25	15/52	
New York	21/20	18/64	27/25	21/70	
Osaka	27/28	81/69	27/28	81/69	
Paris	17/22	13/53	19/25	15/52	
Rangoon	27/28	81/69	27/28	81/69	
San Francisco	17/22	13/53	19/25	15/52	
Singapore	27/28	81/69	27/28	81/69	
Tokyo	27/28	81/69	27/28	81/69	

Unseasonably Cold

Unseasonably Hot

Heavy Rain

Heavy Snow

Asia

	Today		Tomorrow		Wind
	High	Low	High	Low	
Bangkok	30/28	24/76	30/28	24/76	
Beijing	31/28	16/56	30/21	22/73	
Hong Kong	30/28	24/76	31/28	24/76	
Manila	32/27	24/76	31/28	24/76	
New Delhi	34/26	22/62	34/22	20/70	
Osaka	30/28	24/76	31/28	24/76	
Shanghai	30/26	22/62	31/28	24/76	
Singapore	30/28	24/76	31/28	24/76	
Tokyo	30/28	24/76	31/28	24/76	

Unseasonably Cold

Unseasonably Hot

Heavy Rain

Heavy Snow

Latin America

	Today		Tomorrow		Wind
	High	Low	High	Low	
Buenos Aires	12/22	58/42	14/27	64/50	
Bogota	72/68	24/16	72/68	24/16	
Lima	14/24	58/42	14/27	64/50	
Mexico City	72/68	24/16	72/68	24/16	
Rio de Janeiro	14/24	58/42	14/27	64/50	
Santiago	14/24	58/42	14/27	64/50	

Unseasonably Cold

Unseasonably Hot

Heavy Rain

Heavy Snow

North America

	Today		Tomorrow		Wind
	High	Low	High	Low	
Anchorage	15/20	10/52	19/24	9/44	
Boston	27/27	17/55	28/24	19/55	
Calcutta	27/28	81/69	27/28	81/69	
Dallas	27/28	81/69	27/28	81/69	
Denver	27/28	81/69	27/28	81/69	
London	17/22	13/53	19/25	15/52	
Madras	27/28	81/69	27/28	81/69	
Moscow	17/22	13/53	19/25	15/52	
New York	21/20	18/64	27/25	21/70	
Osaka	27/28	81/69	27/28	81/69	
Paris	17/22	13/53	19/25	15/52	
Rangoon	27/28	81/69	27/28	81/69	
San Francisco	17/22	13/53	19/25	15/52	
Singapore	27/28	81/69	27/28	81/69	
Tokyo	27/28	81/69	27/28	81/69	

Unseasonably Cold

Unseasonably Hot

Heavy Rain

Heavy Snow

Europe

	Today		Tomorrow		Wind
	High	Low	High	Low	
Algeria	20/22	21/70	22/24	25/68	
Amsterdam	13/14	10/52	17/22	13/53	
Athens	22/21	84/66	27/26	23/63	
Bahia	27/28	81/69	27/28	81/69	
Barcelona	21/20	18/64	27/25	21/70	
Bombay	27/28	81/69	27/28	81/69	
Buenos Aires	21/20	18/64	27/25	21/70	
Calcutta	27/28	81/69	27/28	81/69	
Delhi	27/28	81/69	27/28	81/69	
London	17/22	13/53	19/25	15/52	
Madras	27/28	81/69	27/28	81/69	
Moscow	17/22	13/53	19/25	15/52	
New York	21/20	18/64	27/25	21/70	
Osaka	27/28	81/69	27/28	81/69	
Paris	17/22	13/53	19/25	15/52	
Rangoon	27/28	81/69	27/28	81/69	
San Francisco	17/22	13/53	19/25	15/52	
Singapore	27/28	81/69	27/28	81/69	
Tokyo	27/28	81/69	27/28	81/69	

Unseasonably Cold

Unseasonably Hot

Heavy Rain

Heavy Snow

Asia

	Today		Tomorrow		Wind
	High	Low	High	Low	
Bangkok	30/28	24/76	30/28	24/76	
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Hong Kong	30/28	24/76	31/28	24/76	
Manila	32/27	24/76	31/28	24/76	
New Delhi	34/26	22/62	34/22	20/70	
Osaka	30/28	24/76	31/28	24/76	
Shanghai	30/26	22/62	31/28	24/76	
Singapore	30/28	24/76	31/28	24/76	
Tokyo	30/28	24/76	31/28	24/76	

Unseasonably Cold

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Heavy Rain

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Latin America

	Today		Tomorrow		Wind
	High	Low	High	Low	
Buenos Aires	12/22	58/42	14/27	64/50	
Bogota	72/68	24/16	72/68	24/16	
Lima	14/24	58/42	14/27	64/50	
Mexico City	72/68	24/16	72/68	24/16	
Rio de Janeiro	14/24	58/42	14/27	64/50	
Santiago	14/24	58/42	14/27	64/50	

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North America

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Anchorage	15/20	10/52	19/24	9/44	
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Calcutta	27/28	81/69	27/28	81/69	
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London	17/22	13/53	19/25	15/52	
Madras	27/28	81/69	27/28	81/69	
Moscow	17/22	13/53	19/25	15/52	
New York	21/20	18/64	27/25	21/70	
Osaka	27/28	81/69	27/28	81/69	
Paris	17/22	13/53	19/25	15/52	
Rangoon	27/28	81/69	27/28	81/69	
San Francisco	17/22	13/53	19/25	15/52	
Singapore	27/28	81/69	27/28	81/69	
Tokyo	27/28				

THE AMERICAS

Pentagon's Excess Cash: Sun Belt Buoyed

By Dan Morgan
Washington Post Service

WASHINGTON — When members of the House Appropriations Committee sat down to draft a Pentagon spending bill for 1997 a few weeks ago, they faced a temporary problem: what to do with all the money.

The Budget Committee, with the blessing of the Republican leadership, had allocated so much for defense — more than \$10 billion over what President Bill Clinton wanted — that there were funds left over even after billions of dollars had been designated for accelerated procurement of ships, aircraft and weapons.

The solution was to add almost \$1 billion to the National Defense Sealift Fund, a little-known account that is emerging as a major source of business for the Gulf Coast and southern California shipyards, which, like other Sun Belt industries, have newfound influence in the Republican-controlled Congress.

The account finances construction and conversion of vessels on which the army can store weapons and material in various parts of the world, ready to respond quickly to far-off conflicts. There is broad agreement on the military need for the ships.

After the Gulf War, army and Marine commanders set modernization of the U.S. sealift capability as a top priority, recommending procurement of 19 "large, medium-speed, roll-on, roll-off" vessels.

In addition, for many American shipyards struggling to stay afloat financially after the end of the military shipbuilding boom of the 1980s, the sealift program has become a potential savior, and a political battleground to boot.

Beginning in 1994, Congress, on its own initiative, began adding funds for a "maritime prepositioning force," made up of a "fleet" of three vessels not requested by the Defense Department but strongly backed by the Marines and a number of shipyards.

In June, the House Appropriations Committee added \$250 million to the Pentagon budget to cover work on the vessels for the Marines. Both the chairman of the defense subcommittee, Representative Bill Young, Republican of Florida, and its ranking Democrat, Representative John P. Murtha of Pennsylvania, are former Marines.

At the same time, the Appropriations Committee, chaired by Bob Livingston, Republican of Louisiana, doubled the request for army sealift vessels, approving \$1.2 billion to pay for four ships in 1997, instead of the two sought by the administration.

The army vessels will be built at Avondale Shipyards in New Orleans, just a few blocks outside Mr. Livingston's district, and at National Steel and Shipbuilding Co. in San Diego.

The shipbuilding company's interests are represented on the House National Security Committee by two influential Republicans from the San Diego area: Representative Duncan Hunter, who chairs the military pro-

urement subcommittee, and Representative Randy (Duke) Cunningham, a senior member of the special oversight panel on the merchant marine.

The shipbuilding company's lobbying reports since 1991 detail dozens of company-paid golf outings and meals for members of Mr. Cunningham's staff. A former member of his staff worked as a Washington lobbyist for the shipbuilder in 1995.

The navy shipbuilding accounts in the annual defense budget are one example of how the Republican control of Congress has translated into new influence for Sun Belt industries.

Last year, Mr. Livingston and the then-Senate majority whip, Trent Lott of Mississippi, a senior member of the Armed Services Committee's seapower panel, used their influence to steer billions of extra dollars into the Clinton administration's military shipbuilding program to benefit Gulf Coast yards.

Defense appropriators, urged on by Mr. Livingston, provided funds for amphibious transports and smaller craft.

Republicans Shun Budget Showdowns

WASHINGTON — A year ago Washington was gripped by a budget battle pitting revolutionary Republican leaders against the White House, with the future of Medicare, Medicaid and welfare at stake.

Today, battle-scarred Republicans are doing all they can to avoid a reprise of last year's confrontations and government shutdowns, and the White House appears indifferent about reaching a major deal.

Having abandoned hope for a deal to balance the budget and overhaul entitlements, the Republicans instead are focused on quickly finishing the 13 annual spending bills for the coming fiscal year so that members can get on with the fall campaign.

The Senate Budget Committee chairman, Pete V. Domenici, Republican of New Mexico, said last week he was counseling his party to cut its losses, complete work on the spending bills, and if necessary pass a continuing resolution to paper over unresolved disputes with the administration. (WP)

Democrats Seek Out Grass-Roots Allies

CHICAGO — Democratic Party leaders, conceding that complacency caused them to lose touch with the American people, have launched an election-year organizing campaign designed to revitalize the party at the grass roots and offset gains that Republicans made with the help of such groups as the National Rifle Association and the Christian Coalition.

Don Fowler, Democratic National Committee chairman, unveiling the plan during a meeting of state party officials, set a goal of identifying leaders to 50,000 precincts in 20 targeted states this fall. Those leaders would use all the tools of political communication to deliver the message of the Clinton administration.

The committee's political director, Minyon Moore, told the state party officials, "It is my hope that we will

be comparable to the NRA and the Christian Coalition to get all of our Democratic allies on the ground marching for the president to reelect him."

The announcement came during an upbeat meeting of the Democratic leaders, who spent two days sizing up the city that will host the party's National Convention in August. (WP)

Forbes Says Tax Cut Will Win for Dole

WASHINGTON — The "only way" that Bob Dole can defeat President Bill Clinton is by proposing a major cut in taxes, says the flat-tax champion and former Republican presidential aspirant, Steve Forbes. Without an agenda that includes a large tax cut and massive simplification of the tax code, Mr. Dole has no chance, Mr. Forbes told reporters.

"Colin Powell is not going to save him. Mother Teresa is not going to save him," said the magazine publisher, who spent more than \$36 million to finance a failed run for the presidency.

Mr. Forbes, who met with the presumptive Republican presidential nominee last month, said Mr. Dole was uniquely positioned to pull off a massive tax cut of 15 percent or more. He argued that Mr. Dole is trusted by voters not to make the mistakes of the Reagan years, when tax cuts were combined with increased federal spending.

Mr. Forbes added that Mr. Dole's stolid verbal style can be an advantage. The publisher added, "The very fact that Dole is not glib, not articulate and still is learning to use verbs is going to be seen, I think, as a credible contrast. When Dole says something, he means it." (WP)

Quote/Unquote

President Clinton, paying last respects at Eglin Air Force Base, Florida, to the dead from the bomb attack in Saudi Arabia: "In our time, terrorism is the enemy of peace and freedom. Americans must not out and Americans will not be driven from the fight against terrorism." (AP)

Away From Politics

• Fueled by drought and forests dry as "kindling," wildfires have burned 2.3 million acres in the United States this year — three times the normal amount, Secretary of Agriculture Dan Glickman said on a visit to a federal center in Broomfield, Colorado. The forest center in June coordinated efforts to fight one of Colorado's worst fires in a century. (NYT)

• Homicides in the District of Columbia, which had leveled off in the last few years, are on the rise again. The increase was to 196 as of

June 27, compared with 169 killings last year at the same time. (WP)

• About two dozen passengers walked off a Sun Jet International DC-9 at Fort Lauderdale-Hollywood International Airport in Florida after smoke started coming through overhead vents. The passengers said they remembered that there were reports of smoke in the cabin just before ValuJet Flight 592 crashed in the Everglades May 11, killing 110 people. The smoke on Sun Jet Flight 315 was traced to an overheated fan. (AP)

• NASA has decided to keep Columbia aloft a 17th day, which would make the flight the longest in space shuttle history. (AP)

Clinton's Team Rages At White House Book

Networks Urged to Snub Ex-Agent's Tale

By Howard Kurtz
Washington Post Service

WASHINGTON — White House officials have angrily denounced news organizations for publicizing what they called a fabricated book about the Clintons and pressured network talk shows to cancel interviews with the author.

The book, "Unlimited Access: An FBI Agent Inside the Clinton White House," by Gary W. Aldrich, has generated a swirl of sensational headlines, fueled by conservative publicists and a conservative publishing house, and is catapulting Mr. Aldrich into the white-hot spotlight of television stardom.

The book poses a classic dilemma for the media that has surfaced time and again in this tabloid era: how to deal with explosive but uncorroborated allegations, attributed to unnamed sources, by an apparently respectable author.

A handful of Mr. Aldrich's charges involving White House security are matters of which he claims first-hand knowledge. But the book also is packed with gossip, unverified tidbits, such as that a female White House intern did not wear underwear, and is written with an obvious distaste for everything about the Clinton White House.

"There's a new standard: If you make charges against the Clintons, you don't have to cross any threshold of credibility," said George Stephanopoulos, the president's senior adviser. "This book does not just contain false allegations; it is a fabrication."

The book's most sensational undocumented allegation is an source's account that "the president is a frequent late-night visitor to the Marriott Hotel in downtown Washington," eluding the Secret Service to visit a room that "some information indicates" is rented by a woman who "may be a celebrity."

A Secret Service spokesman, Carl Meyer, called Mr. Aldrich's contention that President Bill Clinton could slip away "absurd," saying, "It's outrageous and it's impossible. We have a statutory mandate to protect the president 24 hours a day."

A Marriott official, Kirby Smith, said

that after checking with the night staff "the hotel has no knowledge of Mr. Clinton coming in on the off-hours; the claims are to the best of our knowledge inaccurate, incorrect."

But Alfred Regnery, president of Regnery Publishing, the Capitol Hill firm that is printing 75,000 copies of the book, dismissed such criticism as an effort to "attack the messenger." He said: "We relied heavily on the fact that Gary was a 30-year FBI veteran, someone who had made a career of collecting evidence and judging the reliability and credibility of that evidence. We cross-examined him on lots of things. Obviously, you can't check a lot of that stuff first-hand."

The New York Post bannered the most salacious allegations in a front-page story called "The Wild House." The Washington Times led the paper with a story headlined "Clinton's Wee-Hours Dash to a Romantic Tryst." The Washington Post ran a Page 6 story on Mr. Aldrich's charge that another White House official had told him that Craig Livingstone, the man at the center of the FBI files controversy, got his administration job because of Hillary Rodham Clinton. ABC reported the same allegation. The Wall Street Journal editorial page ran an excerpt.

The tone of the book underscores the cultural chasm that has separated the baby-boom Clintonites and some FBI and Secret Service officials since the earliest days of the administration, when a disgruntled aide leaked word that Hillary Clinton had thrown a lamp at her husband, a charge she has denied.

Mr. Aldrich emerges as a buttoned-down conservative who enjoyed working for the coast, organized Bush White House staff, but was offended by the clothing, demeanor, curse words, messy offices and even the body shape of many of the new Clinton crew.

He writes of his unease at seeing "oddly dressed new personnel" in "jeans, T-shirts and sweat shirts; men with earrings and ponytails; and every manner of footwear except normal dress shoes."

Buchanan Is Being Pushed To Convention's Sidelines

By Richard L. Berke
New York Times Service

WASHINGTON — Fearful of a replay of the tumult that Patrick J. Buchanan created at the Republican National Convention four years ago, several convention organizers say he will not be offered a prominent role at the party's gathering in August and may not be asked to speak at all.

While final decisions have not been made, there is agreement that a featured role for Mr. Buchanan would damage the image of the party and the almost certain nominee, Bob Dole, according to people familiar with the deliberations that involve officials from the Dole campaign and the Republican Party.

They said Mr. Dole has made it clear he does not want Mr. Buchanan as a high-profile speaker and noted that Mr. Buchanan's hard-line stands against abortion and other issues and his attacks on Mr. Dole throughout the primaries would be at odds with the party's effort to present a harmonious front.

"Buchanan is still a candidate for president," said Paul J. Manafort, the Dole campaign's convention manager. "He hasn't indicated any particular desire for a role at the convention."

Asked if Mr. Buchanan would have as significant a role as he had in Houston in 1992, Haley Barbour, chairman of the Republican Party, said only that the four-night show would be much faster-

paced this year. "There will be hardly any long speeches," he said, adding that "there will be more control over the program."

Several people involved in the deliberations said that Mr. Buchanan might not be offered a speaking position at all.

At best, they said, he would be given a brief, early-evening speaking slot.

But Colin L. Powell is at the top of the list of possible speakers at the convention in prime time, Mr. Dole told Mr. Powell at a meeting three weeks ago that he would like to see him attend the convention, which opens on Aug. 12 in San Diego.

While Mr. Dole did not specifically ask him to speak, the candidate's aides said they hoped Mr. Dole would follow through and do so.

"He certainly would be a positive addition to the Republican convention," Mr. Manafort said.

The moves to play down Mr. Buchanan, who has not formally abandoned his drive for the nomination, while increasing Mr. Powell's profile are bound to inflame the party's social and religious conservatives, who will be a dominant presence at the convention but who are less representative of the party at large.

Gang Wars Are Jolting (of All Places) Minneapolis

By Dirk Johnson
New York Times Service

MINNEAPOLIS — This was a city that seemed to have all the answers.

Fortune 500 companies thrive in an atmosphere of Scandinavian-style social liberalism. Sweater lakes give wooded neighborhoods a fairy tale look. Even the brutal Upper Midwest winters are made manageable, with elaborate glass skyways for downtown pedestrians.

It is a way of life, The Minneapolis Star Tribune once noted, that boosters regard as "superior to that in most places on earth."

But lately, this idyllic image has been shattered by violence, with gang wars and drive-by shootings on streets where children play. There were a record 97 murders here in 1995, at least 50 percent higher than in each of the last four years and making the city's rate worse than in New York. Killings are running at a brisk pace again this year.

"What is happening to my Minneapolis?" asked Barbara Atlas, 42, who lives on Newton Street, where an 11-year-old boy was killed by stray bullets from a drive-by shooting earlier this month. A 22-year-old man on the block was shot dead a few days later.

"This was a place where people cared about each other, where you left the doors unlocked and let the kids play outside," she said.

Now there is T-shirts that read, "Murderapolis," and gallows humor about warning

visitors from New York City to be careful.

So polite it can sometimes be maddening, this has never been an in-your-face kind of place. Stoicism is a virtue in Minnesota, home of the fabled old Swedish farmer who loved his wife so much he nearly told her.

Finding similarities between Minneapolis and New York — on murder, of all things — would usually seem quite a stretch.

To be sure, Minneapolis has never been Lake Wobegon, the mythical small town of Garrison Keillor, who broadcasts his homespun radio show, "A Prairie Home Companion," from neighboring St. Paul.

The metropolitan region — with the Twin Cities of St. Paul and Minneapolis and the

suburbs that keep sprawling into farmland — has a population of 2.3 million.

When it comes to stereotypes, for that matter, New York is not quite as tough as it is cracked up to be. It ranked 46th among American cities in its murder rate in 1994, the latest year for which nationwide statistics are available.

With 27.1 murders per 100,000 people last year, Minneapolis had a murder rate almost 70 percent higher than New York's rate of 16 per 100,000.

And far from the Twin Cities, there have been some shocking Minnesota murders. In Sauk Centre, about 100 miles from Minneapolis, for example, a 72-year-old man had a property dispute with neighbors earlier this month, then shot to death the entire

family, the father, the mother and their two children. He even shot their dog, before turning the gun on himself.

And about 80 miles south of the Twin Cities, Rochester, home of the Mayo Clinic and a town that had not seen a murder in nearly three years, recently had three slayings in 24 hours.

In Minneapolis, the murders have often been linked to drugs, especially crack. "The lads from Chicago are coming up here to sell their pharmaceutical products, because they have seen Minneapolis as a new market for them," said Sergeant Charlie Miles of the homicide division, referring to illicit drug dealers.

People here tend to blame bad-apple newcomers from out of state for the trouble.

Mayor Sharon Belton Sayles has complained about people who are "liabilities" coming to Minneapolis.

In the neighborhoods, people often blame the state's comparatively generous welfare payments for attracting troublemakers.

"They call Minnesota 'Money State,'" said Ms. Atlas. "They come here for the welfare. And they bring all their problems with them."

But Emmett Carson, the president of the Minneapolis Foundation, which supports charities, said welfare recipients had been made scapegoats for a changing city. In-

stead, he pointed to the increasing disparity between the wealthy and poor here. "This is not your grandfather's Minneapolis," he said.

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Herald Tribune

Dr. Irving P. Krick, 89, one of the first commercial meteorologists in the United States and a member of the team that provided forecasts for the D-Day invasion, died June 20 of heart failure in Pasadena, California.

A Link to Wright Brothers Dies

New York Times Service

NEW YORK — Charles Fayette Taylor, 101, an engineer who was one of the last living links to the Wright brothers era of aviation and helped to design the engine for the plane that carried Charles A. Lindbergh across the Atlantic, died June 22 at his home in Weston, Massachusetts.

Mr. Taylor was on the faculty at Massachusetts Institute of Technology from 1926 until his retirement in 1960. His two-volume text, "The Internal Combustion Engine in Theory and Practice," written several decades ago, remains a primary reference for automotive engineers, MIT said. In the early 1920s, just after graduating from Yale University with a degree in mechanical engi-

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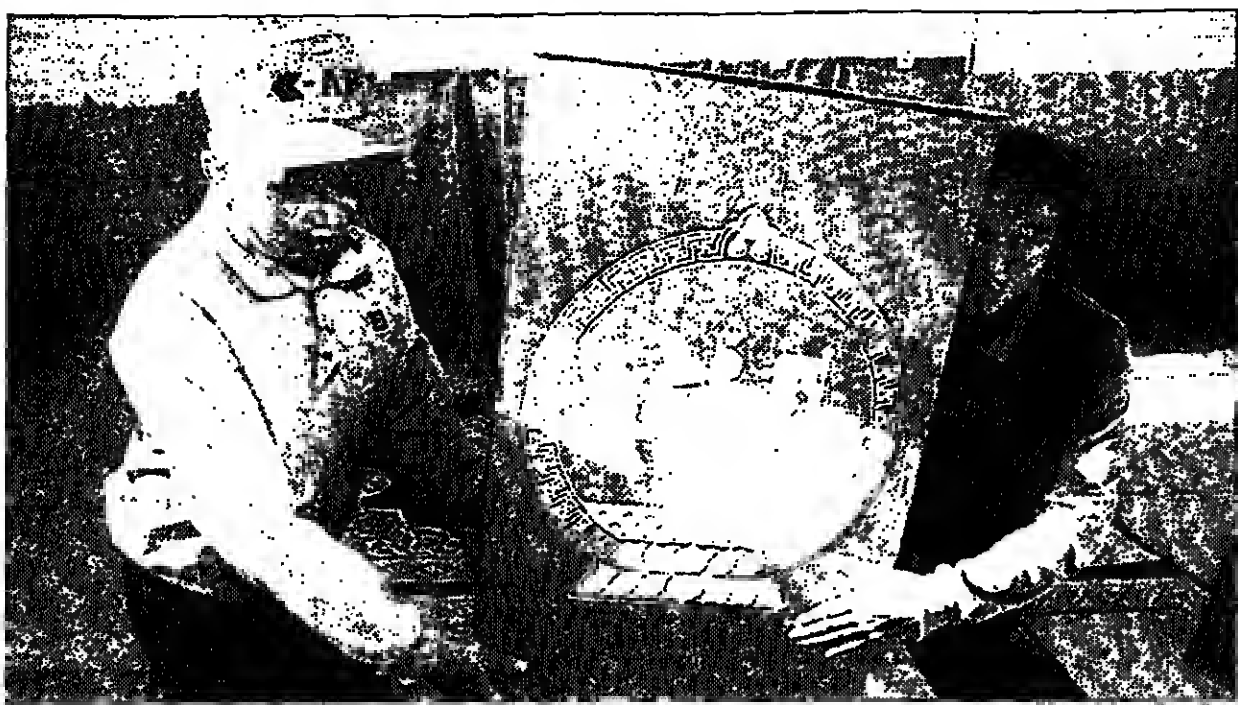
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ASIA/PACIFIC



Election workers carrying a ballot box into a voting station in a rural area near the Mongolian capital.

North Korea Denies It Has U.S. POWs

The Associated Press

SEOUL — North Korea has denied an internal Pentagon report that it is holding American prisoners from the Korean War, calling it a "false rumor" that could jeopardize efforts in account for thousands of missing U.S. servicemen.

The Pentagon report, made public earlier this month, said Washington had credible evidence that 10 to 15 Americans who may be prisoners from the Korean War are still alive in the Communist country.

The North's official Korean Central News Agency said Saturday that the false rumor "spread by some dishonest forces of the United States only serves to demonstrate their own political and moral stupidity."

North Korea said it repatriated all American prisoners under terms agreed on when the war ended in armistice in 1953.

"We have clearly notified the U.S. side through various channels," the press agency report said, "that there is no American prisoner of war staying alive in the DPRK," referring to North Korea.

Under an agreement reached in May, the two countries are scheduled to begin joint recovery of American remains in North Korea in July. The KCNA report said that if the United States worked against building confidence with North Korea, "the joint excavation of U.S. remains will be exposed to danger."

There was no mention in the report, however, of a U.S. demand for access in four American soldiers who defected across the Korean border in the 1960s, at least one of whom may want to return home.

Pentagon officials said the North Korean government has not acknowledged whether it would allow U.S. officials to seek contact.

Harvest Shortfall Expected

A Red Cross official said North Korea's first harvest after last year's devastating floods would likely be big enough to feed only four-fifths of its 23 million people. The Associated Press reported from Beijing.

The shortfall means the country will remain dependent on outside aid into

next year, said Geoff Dennis, Red Cross representative in North Korea.

Until the harvest, North Korea remains on the "knife edge" of famine, he said Saturday.

Estimates of how short of expectations the October harvest will be range from 15 percent to 50 percent depending on the region, Mr. Dennis said.

Overall, he added, the harvest will fall short by about 1.1 million tons to 1.6 million tons, or enough to feed 4 million to 5 million people.

Although the Red Cross and UN agencies are providing subsistence rations for about 500,000 North Koreans, Mr. Dennis warned that the food was not enough.

"If this went on for a few months," he said, "then you would get children whose growth would be stunted for life."

After visiting parts of North Korea damaged by floods last August, Mr. Dennis said he found roads and factories damaged, although under repair, and some of the country's richest rice land still covered in sand and silt.

He said those areas may need three years to recover.

Mongolia Seeks Democratic Stability
Parliamentary Election Is Expected To Turn on EconomicsBy Patrick E. Tyler
New York Times Service

ULAN BATOR, Mongolia — The voting district in Hashbat Hulan hopes to represent in this vast land of mountain ranges and sprawling Asian steppes is on the eastern edge of town, where people live in crumbling Soviet-style apartment blocks or in tentlike yurts.

To explain why she was running as an opposition candidate for a seat in Mongolia's Great Hural, or Parliament, in Sunday's elections, Miss Hulan pointed in a recent survey showing that in 43 percent of the households in her district not a single person has a stable source of income.

"The issue in this election is going to be the growing impoverishment of the Mongols, unemployment and the declining living standard," she said. "Today what people see in their real lives is a growing gap between the haves and the have-nots and the degradation of the institutions we used to be proud of, such as education and health."

Six years after the collapse of Mongolia's Soviet dependency, the country is struggling to create a democratic political system while also pulling itself back from the economic implosion that occurred when Soviet aid and traditional trading ties with Moscow disappeared.

Besieged in 1990 by demonstrators calling for democracy, the governing Mongolian People's Revolutionary Party legalized opposition parties, which gained a foothold in Parliament during the country's elections in 1992.

Now, after seven decades of uninterrupted rule, leaders of the People's Revolutionary Party, having renounced their Communist ideology, are trying to reinvent themselves as market-oriented technocrats capable of delivering prosperity to a restive population of 2.3 million Mongolians, nearly half of whom tend the 28 million head of livestock that graze the Asian steppes.

And though the economy here has

registered two straight years of modest growth, the economic well-being of most people here is still plummeting. Inflation continues to outrun wages for most Mongolians.

One in four Mongolians has sunk into poverty. Most families have lost one-quarter to one-third of their purchasing power.

On the broad avenues of Ulan Bator, grimy street children make up a scavenger force and also engage in petty crime to survive. Real unemployment exceeds 15 percent, and Prime Minister Punsaiygn Jasrai's management of the economy is widely perceived as inadequate at best and incompetent at worst.

Like many younger intellectuals who have sniped and sneered at the incompetence of one-time Communist bosses trying to manage a transition from central planning to a market-based economy, Miss Hulan has decided to jump into the political fray.

"All those people running the economy now really have no knowledge of the market economy, so it is really difficult to expect something positive from them," said R. Amarjargal, a Western-trained economist and rector of the Economic College of Mongolia.

Mr. Amarjargal, too, after years of watching from the political sidelines, is running for Parliament. He and Miss Hulan, both 35, are allied in an opposition whose candidates are a decade younger than those of the governing party.

It now seems possible that the Democratic Union Coalition, the alliance of opposition parties that Miss Hulan and Mr. Amarjargal helped to form, has a good chance of doubling its representation in the 76-seat Parliament, where the Mongolian People's Revolutionary Party holds 70 seats.

"The importance of this election is that it demonstrates Mongolia's political stability," Miss Hulan said. "And by increasing the opposition seats in the

Parliament, we are creating a tangible democratic system in which the opposition gains an institutional status."

No one is predicting an outcome that would topple the majority of the People's Revolutionary Party, but if the opposition can increase its seats to 12, or even 15, it will more firmly establish democratic rule here and force greater accountability by the former Communist chieftains.

One powerful ally who has come over to the opposition is President Punsalmaa Oichirbat, who was dumped by the governing party during 1993 presidential elections and made an astounding comeback as an independent supported by the opposition, winning 57 percent of the vote.

Thus democracy in Mongolia is entering a more robust phase. But even as it does, there is a keen sense here that the fragile existence of a country between Russia and China requires that political partisanship give precedence to political stability.

"We Mongolians do not have much time," said Mr. Amarjargal. "And during this period, we must learn to stand on our own legs and grow our economy. This is the only way to keep our independence and national sovereignty."

On this point, there is broad consensus. That is why Mongolia is energetically cultivating strong trade and security links with the United States, Japan, Germany and South Korea as the four main "legs" of the country's external relations.

Mongolia's independence, a rarity in this century, is a kind of manifest destiny and keeps politics within certain limits.

"There is a certain bedrock belief here that they have to hang together if they want to survive," said Donald Johnson, U.S. ambassador to Mongolia. Surrounded by giants, China and Russia, which have both exercised dominance in the past, "They don't want to be swallowed up again," he added.

DEADLINE: One Year From Handover, Hong Kong Is Anxious

Continued from Page 1

the major issues confronting the territory has been resolved, including most prominently who will lead the territory under Chinese rule.

A committee chosen by Beijing is nominally charged with settling these issues, but the committee meets only in secret, consults with carefully selected segments of Hong Kong's people behind closed doors, and has banished dissenting voices from its proceedings.

China has promised that it will leave Hong Kong unchanged and "with a high degree of autonomy" for 50 years. Yet, in the past year, China has proceeded clumsily and mostly in secret as it lays its plans for the resumption of sovereignty.

What is clear is that Beijing has said it will abolish Hong Kong's elected legislature and replace it with hand-picked lawmakers; scuttle its Bill of Rights ordinance, a law intended to provide basic legal protections to Hong Kongers, and revive a slew of repressive legislation originally introduced by the colonial government but repealed in recent years.

What is also clear is that, in many respects, the transition is well under way; China is already the largest investor

here with more than 1,100 mainland companies, from banks to trading houses, garment manufacturers to tour operators, doing business here.

China's presence and influence are considerable. Swire Pacific, one of the great British hong, or trading houses, has been pressured to reduce its holdings in Hong Kong's flag air carrier to a minority share. The British telecommunications giant Cable & Wireless is expected to cave in Chinese pressure and become a minority shareholder in Hong Kong Telecom, the territory's local phone company.

"It is natural for China to want some control of the commanding heights of the economy — aviation, electronics, telecommunications and maybe banking — but I am not comfortable," Miron Mushkat, managing director of Lehman Brothers here, said at an American Chamber of Commerce conference. "It is not the Hong Kong way and it is a form of nationalization."

For some years now, companies that traditionally have done most of their business with the London-based Hong Kong & Shanghai Bank gradually have been shifting some of their business to the Bank of China.

"It just makes sense," said

the director of one company. "These are the guys we have to deal with."

But even as China's grip on the territory strengthens, Hong Kongers are not easily abandoning their sense of themselves as distinct from China's people, not merely because of social and political differences, but culturally and linguistically. They see themselves as a people with a way of life far removed from China's mix of avariciousness born of rapid economic growth and insularity born of political repression. Hong Kongers also see themselves as enjoying an ease with the world around them that China's people do not share.

In an effort to lend some statistical shape to Hong Kong's amorphous sense of identity, Timothy K.Y. Wong, of the Hong Kong Institute of Asia-Pacific Studies, conducted a poll looking at this question.

"We found that Hong Kong people still maintain a strong indigenous identity," he said, "although this identity is declining somewhat over the years." Indeed, 49 percent of those surveyed regard themselves as Hong Kongers, with only 36 percent seeing themselves as Chinese.

One of the starker signs of the chasm between Beijing and Hong Kong is the refusal

of Chinese officials to speak Cantonese in public, if indeed they have learned it at all. Instead, they insist on speaking Beijing-accented Mandarin, a language scarcely understood here.

Invariably, conversations these days swing toward contingency plans if things go terribly wrong after June 30, 1997, and contingency plans above all mean possession of a foreign passport. It is estimated by the government that 600,000 Hong Kongers hold such passports. In fact, more than half the members of Beijing's hand-picked Preparatory Committee, the body that China created to chart the transition from British to Chinese rule, carry foreign passports in their back pockets.

Yet, many Hong Kongers are eager to stay here, to live in a Hong Kong that is a rightful part of China. Chung Lee Wai, a 22-year-old university student who said he plans to work in community development, is harshly critical of China's political system yet equally fierce in his patriotism.

"The first step is for China to control Hong Kong," Mr. Chung said. "We need to go back to China. Hong Kong went to Britain because of the Opium War. I don't believe in independence for Hong Kong. I'm staying."

Rallies Start Countdown

Agence France-Presse

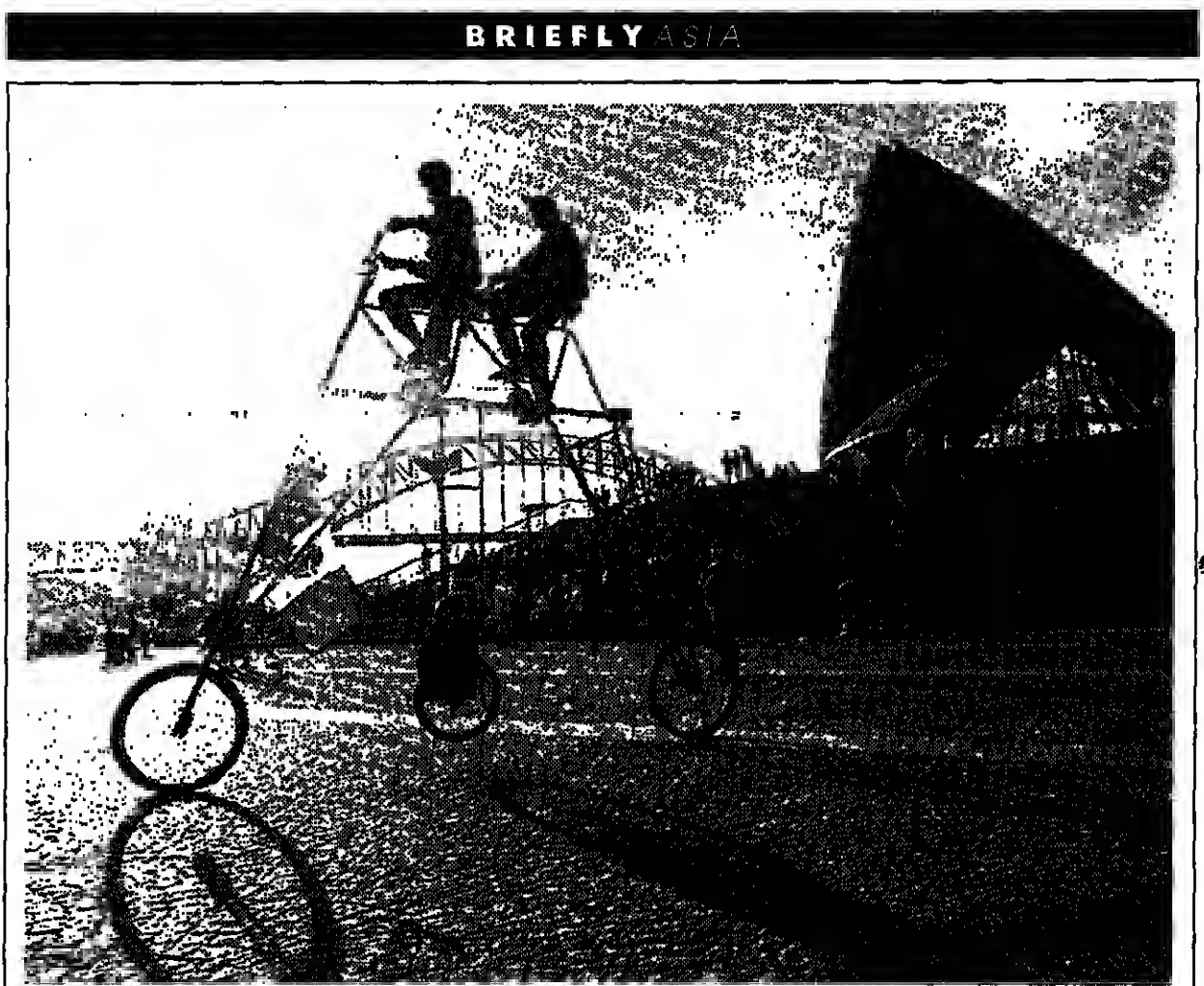
HONG KONG — Supporters and opponents of Communist China staged rival rallies Sunday to mark the 365-day countdown for Hong Kong's return to Chinese rule.

Amid growing signs of apathy over the future, Governor Chris Patten said it was up to Hong Kong's 6 million people to stand up for the territory's way of life.

The same day, pro-China groups held "celebratory rallies" to fight back against what they called negative publicity about the handover.

More than 400 people attended the Legislative Council rally to hear leaders of the Democratic Party, the biggest party in the chamber, warn about China's tactics.

The party chairman, Martin C.M. Lee, said: "We in Hong Kong have been promised a high degree of autonomy after 1997. What we are seeing is China getting more and more involved in Hong Kong affairs. What we are seeing is a high degree of control."



A SPIN FOR THE RECORD — Elias de Souza and Richard Rodriguez of Brazil pedaling in Sydney on their unusual tricycle. They are circling the earth for a place in the Guinness Book of World Records.

South African Foreign Minister On 'Fact-Finding' Trip to Taiwan

TAIPEI — Fighting to keep its single most important diplomatic ally, Taiwan on Sunday welcomed Foreign Minister Alfred Nzo of South Africa, who began a three-day "fact-finding" visit to Taipei aimed at resolving Pretoria's two-China dilemma.

South Africa has long recognized Taiwan and values the economic benefits the relationship has conferred. Direct investment and aid from Taiwan is thought to run into the hundreds of millions of dollars.

There are more than 350 Taiwan-owned companies in South Africa, credited with creating more than 45,000 jobs. Taiwan is South Africa's seventh-largest trading partner, with two-way trade worth \$1.74 billion last year.

But since President Nelson Mandela came to office in 1994, bilateral trade between South Africa and China has rocketed to \$1.33 billion last year from only \$14 million in 1994.

'Myanmar,' Rangoon Press Insists

RANGOON — The state-controlled press urged a ban on publications that call the country Burma rather than Myanmar, the name adopted by the government.

Calling the Southeast Asian nation Burma is an "insult," according to an article signed "Patriot" in the English-language New Light of Myanmar.

The ruling junta, known as the State Law and Order Restoration Council, announced in 1989 that Burma would henceforth be known as Myanmar and the capital, Rangoon, as Yangon.

Myanmar is the name most citizens use, feeling it represents the entire country, while Burma, the name given by British colonizers, recognizes only the ethnic Burmese. The regime rejects it and all who use it as neo-colonialist. Yangon is the way inhabitants pronounce the name of the capital city. Rangoon is a British approximation. (AP)

New Kabul Cabinet Is Readied

KABUL — Afghanistan's new cabinet to be headed by Prime Minister Gulbuddin Hekmatyar is to be unveiled in the next two days, top officials from the coalition government said Sunday.

President Burhanuddin Rabbani and the prime minister are due to meet very soon to discuss the final details regarding the cabinet list that has already been drawn up," said Mr. Hekmatyar's spokesman, Qaribur Rahman Saeed. "The final list should be announced in the next two days as

the prime minister has a lot to do and wants to be able to get down to work right away." (AFP)

Communist Is Tapped in India

NEW DELHI — Prime Minister H.D. Deve Gowda picked a Communist to head the powerful Home Ministry, the government said.

Indrajit Gupta of the Communist Party of India was given the prestigious post as part of a cabinet expansion aimed at broadening the new prime minister's political base.

Mr. Gowda gave Mr. Gupta the Home Ministry portfolio despite some grumbling within the Congress (I) Party over putting a Communist in charge of the powerful intelligence agencies. Mr. Gupta and Chaturannan Mishra were the first Communists to join an Indian government since independence in 1947. Mr. Mishra was named agriculture minister. (Reuters)

Dalai Lama Leads Ancient Rite

TABO, India — Tens of thousands of Buddhist pilgrims and tourists gathered Sunday at a remote Himalayan monastery in northern India to watch Tibet's god-king, the Dalai Lama, perform an ancient Buddhist rite.

A baritone chant led by the Dalai Lama, accompanied by the rhythmic clack of traditional cymbals, began the Buddhist *kaichakra*, or wheel of life, ceremony at the Tabo monastery, 1,000 years old and one of the most revered Buddhist monasteries.

"India and Tibet have an uncommon relationship and we share the Himalayan region," the Dalai Lama told the gathering. "Preserving the rich cultural tradition as part of your heritage will become extremely important." (Reuters)

VOICES From Asia

Hasina Wazed, prime minister of Bangladesh, on her plans for the military: "We will build a well-trained, disciplined and skilled armed force. It will be a national force, not partisan to any party. And any kind of grouping or lobbying existing in the armed forces would be removed." (Reuters)

H.D. Deve Gowda, prime minister of India, on talks with Pakistan about Kashmir: "We have already told them that Jammu and Kashmir is a settled matter and we will not have it on the agenda for bilateral talks." (Reuters)

In this Tuesday's

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EUROPE

Q&A/Jaap Ramaker

Test Ban Pact Is Doable

After more than two years of hard bargaining, the 61-nation Disarmament Conference missed last week's deadline for a treaty to outlaw nuclear test explosions—mainly over India's insistence on a time-bound commitment by the five nuclear powers to scrap their atomic arsenals.

It is now up to government leaders to ponder the final compromise text worked out by Jaap Ramaker, a Dutch diplomat who is the conference chairman. With negotiators scheduled to return to Geneva for a final make-or-break effort on July 29, Robert Kroon discussed the outlook with Mr. Ramaker for the International Herald Tribune.

Q. Can this test ban pact still be salvaged?

A. I am confident that the treaty is within reach, but our self-imposed deadline has passed and we are now under great time pressure. When I took over the chair in January, I inherited a treaty text with 1,200 blanks, so by the end of May I came up with a new and complete draft. But the nuclear and nonnuclear states didn't come together.

Last week we proposed an adapted version and when that didn't work either, I once again amended the text and that's what is now going to the capitals. We now have a complete product and I hope governments will buy it. When there is so much at stake, you must strike a compromise between what is desirable and what is attainable.

Q. The U.S. and other nuclear powers have warned all along that a link between banning tests and banning nuclear weapons was a nonstarter. So why did India throw that wrench in the works last week?

A. While some non-aligned countries may sympathize with India's notions about nuclear disarmament, the Indian delegation indeed was the only one to insist on a time-bound formula for nuclear disarmament, as a condition for signing. But this is a treaty about banning test explosions, not nuclear arsenals. Nuclear disarmament is the subject of the START talks, and India's position was unacceptable to most of the nuclear powers.

So this raised the question of who should be on board for launching the test ban. The United Kingdom, Russia and China say the three threshold states—India, Pakistan and Israel—must join the five nuclear powers as the original launching states or the treaty would be meaningless.

Q. When India opted out, Pakistan also became reluctant and that set off a chain reaction of refusals, starting with Britain and China. This led to a proposal to launch

the test ban with just the five nuclear powers plus a maximum number of other signatories, in the hope that India would join later. Why didn't that work?

A. Well, this would amount to the five nuclear powers simply extending their own moratorium on test explosions. For all practical purposes, such a moratorium already exists, if we discount the Chinese plan to have one more final test before the end of the year.

What the world wants is a universal ban on nuclear test explosions for all time, because this will have a big impact on the arms race. My final proposal lists 45 countries whose ratification would be required for the pact's entry into force and that includes the three threshold states. We now have a complete test ban treaty with a good monitoring system.

From here on it is a test of political will. Q. There is also disagreement on verification and on-site inspections in case of suspected test ban violations. Isn't that another unresolved problem?

A. There is basic agreement on the modalities for a worldwide monitoring network which will cost \$150 million over the next two years to put in place and operate. Yes, there are some sensitivities on inspections and sovereign rights, but I think they can be resolved.

Q. What is the position of the United States on all this?

A. The U.S. has been fairly relaxed about the need to rope in the three threshold states for the treaty's entry into force. Washington believes that problem will solve itself in time and that's a marked difference with Britain's position. Also, the Americans insist on solid verification procedures and will not join a test ban treaty at any price, as I understand it.

Q. So what can we expect in the few remaining weeks?

A. The test ban treaty is a pact of historic proportions. It has major implications for the security interests of the nuclear as well as threshold states. But world public opinion already sees test explosions as a thing of the past and there is massive pressure on all governments to outlaw tests once and for all.

People everywhere took to the streets in protest against the French tests in the Pacific and the recent Chinese explosion. These feelings are running high and they are universal. You don't see crowds burning buildings and demonstrating with such fervor against drug-exporting states, for instance.

A comprehensive test ban is now ready for delivery, the time for negotiations is past and we may never get this opportunity again.

In Mostar Vote, a Great Ethnic Divide

By Chris Hedges

New York Times Service

MOSTAR, Bosnia-Herzegovina—The elections Sunday for a single city council for the divided city of Mostar, the first postwar elections in Bosnia, were meant to be the crowning achievement of the European Union's costly effort to rebuild a Bosnian city where Serbs, Croats and Muslims could live as neighbors again.

Instead, the elections, the preliminary results of which were not expected before Monday, appeared set to ratify ethnic partition and have left many questioning the wisdom of holding nationwide elections in Bosnia scheduled for September.

In Mostar, the international community was unable to open the political debate. Muslims on the east side of the city did not campaign to the Croatian-controlled west side, because of the threat of violence. Croats over set foot on the Muslim side. And anyone who proposed a society not built along ethnic lines was silenced.

"This is a glimpse of what to expect in September when the Bosnian elections take place," said a senior official in the Organization for Security and Cooperation in Europe.

"While we wanted this election in Mostar to be a step toward the reunification of the city and the institution of democratic rule, it has turned out to be a farce, a game manipulated by nationalists to solidify their power and their privilege," the official added.

The campaign itself was stillborn. There were few rallies or campaign events and little public debate. Croatian nationalists, along with members of the Muslim-led Party of Democratic Action, broadcast sordid messages of hate and revenge.

The election was being supported and paid for by Mostar's temporary European Union administration, which will run the city until the end of July. It is designed

to create a single city council with the same number of seats for ethnic Muslims and Croats, who will then elect one mayor.

The council is then slated to be integrated into the U.S.-brokered federation, which has so far failed to take root between Muslim-dominated Bosnia and Croat-dominated Herzegovina.

The proportional electoral law, the only one that was finally acceptable to Muslim and Croat leaders, means that voters, who are listed on the 1991 census, will cast their ballots for party or coalition lists, rather than for individual candidates.

The 48-seat city council will reserve 16 seats for Croats, 16 for Muslims and

five for Serbs, with the rest to be handed to undetermined candidates. The results, critics point out, are predetermined, with each side guaranteed its quota, based on ethnic lines.

"The only way we could finally get this election to go ahead was to rig it in such a way that the Muslim and Croat nationalists were sure to win," said the official from the Organization for Security and Cooperation in Europe, which is overseeing the Bosnian elections and other civilian aspects of the Dayton accord.

"It is virtually certain now that the Croats will get three municipalities and the Muslims will get three municipalities. The separate rule

of east and west Mostar will continue."

The ethnic Croats, who call for unification with Zagreb, made it plain Friday that the elections would not propel them into the federation with the Muslims, with whom they fought a bitter war in 1993 and 1994.

And senior Bosnian Croat leaders blithely dismissed the elections' stated goal—to unite the two groups—as irrelevant.

The mayor of west Mostar, Mijo Brajkovic, said: "In what city in Bosnia can Croatian children go to Croatian schools, freely worship in Catholic churches and feel secure? The only place left to us is Mostar. It is here that we will safeguard our culture, our

language and our community. We are not about to turn Mostar over to a Muslim state."

But many European officials say they are faced now with a more immediate concern: security.

Under the election rules, Croats, Muslims and Serbs are all permitted to return from other countries and towns to their original homes to vote. For many, this will be the first visit since they were expelled, or fled, four or five years ago. Some 2,500 heavily armed NATO-led peacekeeping troops have positioned themselves at most crossroads and in armored vehicles along the former confrontation line, which slices through the center of the city.

BRIEFLY EUROPE



TERRORIST TOOLS?—A truck carrying two empty propane gas containers that are believed to have been used in a mortar attack on a British Army barracks Saturday in Osnabrück, Germany. No one was hurt.

EU to Maintain Cuban Contacts

ROME—The European Union will continue dialogue aimed at pushing Cuba toward democracy despite U.S. efforts to restrict foreign trade with that country, EU leaders said Sunday.

The contacts with Fidel Castro's government will also favor efforts to seek a future economic and commercial agreement with the Communist nation, said Foreign Minister Lamberto Dini of Italy.

U.S. legislation to impose economic sanctions on international companies that trade with Cuba, Iran and Libya was denounced Friday by U.S. allies at the Group of Seven summit of the world's industrial powers in Lyon. (AP)

Britain Calls for Terrorism Fight

LONDON—Britain called Sunday for international cooperation to fight terrorism following the bomb blast at a British Army base in Germany, thought to be the work of the Irish Republican Army.

Home Secretary Michael Howard said: "We keep our security arrangements constantly under review. But I think we will have an impetus now to improve our international arrangements."

Mr. Howard told the BBC the government would present a series of proposals, including making extradition more effective, at a Group of Seven meeting on security next month. "We have a proposal for creating centers of excellence in fighting terrorism, so countries can learn from the achievements of each other much more effectively than we do at the moment," he said. He added that Britain wanted to prevent "those who plan, incite or finance terrorism" from obtaining refugee status. (AFP)

Austrian Rightists Gain in Poll

VIENNA—Austria's far-right Freedom Party has won

more supporters since last December's general elections, replacing the conservative People's Party as the country's second most popular grouping, a poll said on Sunday.

The Freedom Party, headed by Jörg Haider, was the only major party to have nudged ahead since the vote, the survey for Monday's edition of Profil, a public affairs magazine, said. The party commands 24 percent to 26 percent of popular support, up from 22 percent in December.

The People's Party slipped from 28 percent to 23 to 25 percent, the poll conducted by the ISMA institute said. The Social Democrats, who govern in coalition with the People's Party, were still the strongest party, but dropped from 38 percent to 34 to 36 percent. (Reuters)

Scots Favor Own Parliament

EDINBURGH—Most Scottish voters want a separate parliament with tax-raising powers, according to a survey taken after the opposition Labor Party said it would hold a referendum on the issue if elected.

A Mori poll found 66 percent wanted a Scottish parliament and only 25 percent were opposed. A smaller majority, 57 percent to 31 percent, favored a parliament with tax-raising powers. (Reuters)

Calendar

European Union events scheduled on Monday:

DUBLIN: Meeting between the Commission and officials from Ireland, incoming holder of the EU's rotating presidency.

BRUSSELS: Yves-Thibault de Silguy, economic and monetary affairs commissioner, reports to the European Parliament on the EU summit in Florence. Sources: AFP, Agence Europe

Turkish Islamist Leader: How Militant?

By Stephen Kinzer

New York Times Service

The man at the center of Turkey's political earthquake is considerably less militant than he was 20 years ago, but he has not abandoned his Islamic and anti-Western beliefs.

Necmettin Erbakan, the Islamic party leader who on Friday put together a coalition that made him prime minister of this resolutely secular country, has a grandfatherly manner and a broad, reassuring smile.

During the campaign leading up to a parliamentary election in December, in which his party won slightly more than 21 percent of the vote, he often plunged into crowds after speaking and spent hours shaking hands, kissing babies and listening to personal complaints.

But his winning manner is accompanied by a fervent belief that Turkey has strayed too far from its Muslim roots and become too close to Europe, Israel and the United States.

Now, Turks are wondering which Necmettin Erbakan is their new prime minister: the pragmatic reformer or the militant fundamentalist.

"Maybe he's a gentle demon," suggested Alan Makovsky, a specialist on Turkey at the Washington Institute for Near East Policy.

"The military effectively banned him from politics from 1980 to 1987, and since then he has decided to take a more gradualist approach," Mr. Makovsky said.

"He is softer and more personable, even though his anti-Western views are still there. He doesn't advocate imposition of Islamic law, but that may be because it's against the constitution to do that in Turkey, and he knows that his party would be banned right away if he came out and said that was his goal. So he tiptoes around it."

Mr. Erbakan used his political skills to negotiate an unlikely and even bizarre coalition with former Prime Minister Tansu Ciller, an outspoken secularist who only a few months ago asserted that her guiding principle was "no coalition with the fundamentalists."

Mrs. Ciller will serve as deputy prime minister and foreign minister. If the new government survives a confidence vote next month and manages to consolidate itself, she is to alternate with Mr. Erbakan as prime minister, with each serving for one year at a time.

In campaign speeches, Mr. Erbakan is given to sweeping pledges that rouse crowds. As he crisscrossed the country last year, he promised to join with other Muslim countries in what he described at various times as a military alliance, an

economic union and a passport-free travel zone.

When he kicked off his campaign before a crowd of thousands at an Istanbul mosque, he promised "to work for a just order" and "to liberate Bosnia, Azerbaijan, Chechnya and Jerusalem."

The cabinet list that Mr. Erbakan announced after cementing his coalition suggested that the military, which is resolutely secularist, is wary. Turkey is a North Atlantic Treaty Organization country with close ties to the United States and Israel, and military officers evidently want it to remain so.

Under the coalition agreement, Mrs. Ciller's True Path party will hold the foreign affairs, defense and interior ministries, giving it control of the national security apparatus.

Mr. Erbakan's Welfare Party will control the labor, public works and agriculture ministries. They offer great opportunities for passing out patronage and thereby building a strong political base.

In addition, the Welfare Party will control the Ministry of Environment and Energy, which oversees bidding for contracts by Western oil companies. It failed in a bid for the Education Ministry, but will control the Culture Ministry, giving it the opportunity to shape people's perceptions of what it means to be Turkish.



Prince Charles meeting, from left, Frank Bruno, former boxer, and rock stars Bob Dylan and Ronnie Wood at a reception following a rock concert for the prince's charity held in London's Hyde Park.

Charles to Borrow \$30 Million for Divorce

Agence France-Presse

LONDON—The Prince of Wales is to offer Princess Diana a lump sum of £20 million as part of a divorce agreement, the Sunday Times reported, quoting sources close to the royal family.

Prince Charles has arranged to borrow the \$30 million, and his lawyers are expected to propose the arrangement to her this week.

If Princess Diana refuses to agree to

a divorce on these terms, the prince is prepared to wait until the end of next year to obtain the dissolution of the marriage, which cannot be refused after five years of separation.

He initially wanted to pay her an annual amount, but finally gave in to her insistence on a lump sum.

The prince decided to borrow the money from his estate, the Duchy of Cornwall, to avoid appearing dependent on his wealthy mother, the paper

said. It added that he would pay £1.4 million a year on the loan.

In addition, Prince Charles will pay an annual sum of £500,000 to the prince's private office.

The prince receives no money from the queen's civil list, allocated by Parliament for the royal family's expenses. But annual earnings from his holdings in the Duchy of Cornwall amount to \$4.9 million before taxes, the Sunday Times said.

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INTERNATIONAL

Saudis Rebuffed Efforts to Improve Base Safety, U.S. General Says

FHT: July 96

By John Lancaster
Washington Post Service

DHAHRAN, Saudi Arabia — Saudi authorities turned down two requests by American military commanders, most recently in March, to move a security bunker from the residential building that took the full force of the truck bomb explosion on Tuesday that killed 19 U.S. service members, according to the base commander.

The officers were concerned that the barrier at Khobar Towers, the American housing complex, was insufficient because it permitted vehicles to drive into an adjacent parking lot, said Brigadier General Terry Schwalier, who is responsible for the base in his role as commander of the 4404th Air Wing.

In November and again in March, the base authorities asked the Saudi government for permission to fence off the

public parking lot, a security measure that would have widened the 100-foot (40-meter) buffer area by four times, General Schwalier said.

Saudi authorities turned down the request, he said.

"The answer was, 'No, not at this time,'" the general added at an informal briefing for journalists over the weekend. "This is something we were all concerned about."

General Schwalier's disclosure adds to questions as to whether the Saudi government did enough to protect U.S. personnel following a smaller bombing in Riyadh in November that killed five Americans, amid a rash of threats against Americans by Islamic extremists.

A Saudi official said that he had no information on an American request to expand the buffer zone. But he said that security experts from both countries

studied the Khobar Towers complex carefully after the November blast. He said the protective measures in place reflected shared opinion.

"The security that existed at Khobar Towers the night of the explosion was the exact level of security that was recommended by the joint team that did all the surveys," the official said.

"I find it very hard to believe that the U.S. military would say, 'Block off the parking lot' and the Saudis would say no."

As the search for the bombers continues, American investigators have located several possibly important clues in the rubble, including a blackened crankshaft and a Mercedes buscap that came from the explosives-laden gasoline tanker, air force officials said.

The crankshaft has a serial number that might lead to the owner of the vehicle.

A Saudi official said investigators had been provided with a good description of two bomb men seen fleeing the truck by a U.S. Air Force security officer. They were said to have left the scene in an American-made white passenger car.

After the explosion, American law-enforcement officials complained to news organizations the Saudi government had not permitted agents of the Federal Bureau of Investigation to interrogate four Saudis arrested in the November attack, possibly as a result of denying the FBI information that might have thwarted the Dhahran bombing.

The four suspects were beheaded. American officials have avoided public criticism of Saudi Arabia, the world's largest oil exporter and a key to U.S. security strategy in the Persian Gulf.

But the White House spokesman, Michael McCurry, acknowledged last week that "we may have wished that we had more" cooperation from the Saudis during the investigation into the November bombing.

Were Confessions Staged?

Douglas Jehl of The New York Times reported from Riyadh:

American officials do not doubt that the four Saudis who were beheaded last week were guilty of the car bombing in November. The officials do, however, believe that the defendants' public confessions were staged by Saudis, Western diplomats said.

The men, Sunni Muslims in their 20s and 30s who grew up in Riyadh, the Saudi capital, made the confessions in almost identical language and delivered them with the aid of maps and pointers.

The confessions were broadcast on state television April 22 in a spectacle that one foreign diplomat described as "almost surreal."

"Our sense is that these four were definitely, very definitely, choreographed," the diplomat said of the confessions, the only part of the case made public before the execution.

A Saudi official said two FBI agents had been granted visas to travel to Saudi Arabia to interrogate the men immediately after they were arrested, before the arrests were publicly announced. The official said the agents had been satisfied with the cooperation.

But after watching the confessions and reviewing other information provided by the Saudi government, diplomats in Riyadh said a question remained — not whether the four were guilty or not guilty, but whether they had acted on their own.

"I don't doubt that these guys were guilty," a Western diplomat commented. "But I do wonder whether they were the only ones."

IRISH: Stepping Into Gap

Continued from Page 1

proach is what most distinguishes him from other EU leaders, and may offer the best chance of success in achieving his four priorities for Ireland's six-month EU presidency. Those priorities are:

- Putting real teeth into Europe's fight against unemployment, which continues to hover around 11 percent. Irish officials hope to win agreement on spending an extra one billion European Currency Units on major trans-European road and rail networks. They also back a controversial proposal for a general employment objective in the bloc's governing treaty, including a new EU committee to coordinate labor-market reforms across Europe.

- "We have to show that employment is on the agenda in an institutional way, just like the single currency," Finance Minister Ruairi Quinn said.

- Finalizing preparations for the move to a single currency. Mr. Quinn must produce by December agreements on a new exchange-rate mechanism to link the Euro to non-participating currencies and a fiscal stability pact to limit deficit spending after 1999.

- Accelerating negotiations on the reform of EU institutions and procedures to enable the bloc to take in new members in Eastern Europe. Mr. Bruton will chair an extra summit meeting in Dublin in mid-October to jump-start the talks and seek to produce a draft treaty for the regular summit meeting in December. But Irish officials already are playing down expectations because of Prime Minister John Major's vow that Britain will resist most changes.

- Stepping up the fight against international crime and drug trafficking. Shocked by the apparent murder-for-hire of an investigative crime reporter last Wednesday, Mr. Bruton said he will push for stiff, uniform policies on sentencing of drug traffickers and policing of external EU frontiers.

Although technically separate, all four priorities are closely intermingled. Europe needs economic growth and more jobs to sustain support for a single currency, while the fulfillment of monetary union is a necessary prerequisite for taking any further steps toward integration.

Prospects on all fronts continue to be overshadowed by the specter of a bitter British election campaign in which Mr. Major intends to turn Europe into the battleground. While resisting most proposed EU reforms, Mr. Major has endorsed the call for a draft treaty to be ready by December in order to campaign against them, and portray the opposition Labor Party as too willing to sacrifice Britain's interests within Europe.

The Irish foreign minister, Richard Spring, said, "In a perfect world, I wouldn't want a UK election" in the middle of the EU reform negotiations.

But Irish officials insist they will provide positive leadership because EU membership has boosted Ireland with aid and trade and ended a historical dependence on ties with Britain.

The governor of the Irish central bank, Maurice O'Connell, said, "Being in Europe has opened up horizons for us. We are the most enthusiastic of Europeans right now."



President Bill Clinton brushing an insect out of his eye during a press conference after the close of the Group of Seven summit in Lyon.

Look Who Stole the G-7 Limelight

Most of Europe Seems to Be Rooting for 2d Clinton Term

By William Drozdiak
Washington Post Service

PARIS — In Tokyo three years ago, President Bill Clinton was scorned as an indecisive greenhorn. In Naples the following year, he was mocked as a shallow politician who would rather be loved than feared. And in Halifax, Canada, last year, he was upstaged by President Jacques Chirac of France when he demanded tougher action by the West in Bosnia-Herzegovina.

But at this year's gathering in Lyon of leaders from the Group of Seven major industrial democracies, Mr. Clinton emerged as the most dominant figure. While his peers struggled with dismal approval ratings and record joblessness, Mr. Clinton stole the limelight by promoting a more vigorous crusade against terrorism and touting the United States' stellar economic performance.

As the summit meeting played itself out, it became clear, according to officials from every participating country, that all G-7 governments, with the possible exception of Britain, appear to be rooting strongly for a second Clinton administration.

The officials explained the consensus in both positive and negative terms. They were bullish on a Clinton who would be liberated from electoral considerations over the next four years. And they were bearish about seeing the White House captured by a Republican Party that is seen abroad as isolationist and prone to ignore allied interests in pursuit of an ideology of "America first."

"Experience has taught us that an American president acts with greater wisdom in a second term," a French diplomat said. "He doesn't have to

make political gestures just to please voters, so he can concentrate on making his mark in history."

Aides to Mr. Chirac, whose term runs until 2002, decided before the meeting to project an image that he and Mr. Clinton were nurturing a special partnership that would make a profound impact as the world enters the 21st century.

Mr. Clinton says he is developing a taste for these international gatherings. He readily admits being far more comfortable after three years in office, especially now that the U.S. record in foreign and economic policy has improved.

"When I attended my first G-7 meeting in Tokyo three years ago, the United States was not in a strong position to lead," Mr. Clinton said in his weekly radio address. "Our partners said instead of telling us what to do, you should get your own house in order."

But now the tables have turned, he said, adding that he was "gratified to hear our partners praise the strength of our economy."

While Europe wallows in recession and suffers the highest unemployment rates in five decades, the United States boasts of having slashed its budget deficit in half and created nearly 10 million jobs over the past three years.

While Mr. Chirac appears to have established the strongest rapport with Mr. Clinton, other leaders seem pleased with Mr. Clinton's lead in the polls and the prospect of a second term.

After some discomfort with waffling on foreign policy during Mr. Clinton's first two years, Chancellor Helmut Kohl of Germany has been impressed by his learning curve, officials said.

Kohl felt a special kinship with

former president George Bush because of what he did for German unification, but he sees Clinton as someone who bounces back from his mistakes," a German diplomat said. Mr. Kohl and Mr. Clinton share a common vision that the main task facing the West over the next four years is to find a way to reconcile the expansion of NATO to the East with a more stable relationship with Russia.

Prime Minister Romano Prodi of Italy also has become a Clinton fan, Italian diplomats said, not least because the United States maintained a prudent neutrality during the recent election campaign that brought to power Italy's first leftist government since World War II.

Japanese officials said Prime Minister Ryutaro Hashimoto, also a newcomer, was pleased with his working relationship with Mr. Clinton so far despite the prickliness of trade disputes between their two countries. They said he was impressed by Mr. Clinton's grasp of trade issues during their meeting and said that augured well for progress in the future.

Only Prime Minister John Major of Britain seems to harbor some lingering irritation with Mr. Clinton. U.S. and British officials acknowledge that their relations got off to a bad start with allegations that, during the 1992 campaign, London assisted the Bush side by running through Mr. Clinton's past life as a student at Oxford.

Washington's warm reception for the Labor Party leader, Tony Blair, who is running far ahead of Mr. Major in polls and could replace him in elections due by next year, only heightened the distrust between the Democratic administration and the Tory government.

G-7: The Economic Summit Conference in Lyon Produces Tons of Paper, but Precious Few Real Decisions Emerge

Continued from Page 1

whom wanted to be quoted by name, admitted that the rather prudent approach at Lyon was influenced by prospective elections in four countries.

President Bill Clinton, as the leader of the world's most economically successful democracy, undoubtedly had the most to crow about.

And in an election year he was not shy about playing that up for the folks back home.

In the wake of the Dhahran bombing, Mr. Clinton's push for a 40-point list of recommendations against terrorism, and his success at winning the sympathy and solidarity of his G-7 colleagues, was also good politics.

So good, in fact, were the American president's political instincts that a few sardonic European officials were heard muttering at Lyon about how the 40 points were nothing new, were scheduled for release anyway, and were in fact only partly aimed at terrorism, and were being politically "recycled" by the American leader.

Prime Minister Ryutaro Hashimoto of

Japan, meanwhile, put in a good performance in his first appearance since being named prime minister.

And while members of his delegation spoke out against doing a deal to renew a computer chip trade deal with Washington, Mr. Hashimoto was smooth, cautiously optimistic and otherwise low-key on this and other matters.

He was reported to have confided to Mr. Clinton and other G-7 colleagues that he would likely call an election before the end of this year, which was a good reason to stay above the fray at Lyon.

Although the Lyon agenda was heavy on political talks, and mainly because President Boris N. Yeltsin was scheduled to be there just days ahead of the presidential runoff election, the Russian leader thought it better politics to stay in Moscow.

Without Mr. Yeltsin the whole event seemed rather pale, but the G-7 leaders did their best to lavish attention on Prime Minister Viktor S. Chernomyrdin instead.

Prime Minister John Major, rarely a heavyweight player in the G-7 environ-

ment at the best of times, seemed even more subdued and noncommittal this time.

Most of his peers are privately convinced that he will lose the next British election and that they will welcome Mr. Major's successor — Tony Blair, the Labor Party leader — to next year's G-7 summit in Denver.

Britain's main contribution this year, apart from joining in the chorus condemning terrorism, was to oppose the idea of asking the World Trade Organization's high-level meeting in Singapore next December to discuss links between trade and labor standards. This resulted in the issue being downplayed in the final communiqué.

Mr. Major also played a politically self-serving role in reinforcing the European Union's criticism of U.S. legislation that would impose sanctions on companies that do business with Cuba, Iran or Libya.

And that gave rise to Mr. Clinton's only setback, a mild scolding couched in obscure diplomatic language in the economic communiqué.

Germany's Helmut Kohl, meanwhile,

seemed preoccupied with the homefront as well, where he is currently waging the battle of his political career as he struggles to push through his beloved single currency project in the face of near-record unemployment and an unpopular plan to slash public spending smack in the middle of near-recession.

Mr. Kohl was thus uncharacteristically low-profile as well, and his finance minister, Theo Waigel, did not even come to the summit. The explanation

given by Mr. Kohl's aides was that Mr. Waigel's plane had broken down.

Only Jacques Chirac, in partnership with Mr. Clinton, seemed able to rise above his domestic political travails and play the statesman, although the French leader could not resist the temptation to warn against the dangers of globalization. In a France, with unemployment up to 12.3 percent, warning about economic threats from abroad also makes for good politics.

Museveni Party Leads in Uganda

Reuters

KAMPALA, Uganda — Supporters of President Yoweri Museveni's "no party" politics will have an easy majority in a new assembly, results from parliamentary elections made clear on Sunday.

With more than 90 percent of results announced, political analysts said Mr. Museveni's backers had taken 140 of the 180 seats in the 276-seat assembly so far declared from Thursday's poll and were

likely to win most of those remaining.

No violence was reported at the polling places — which marked the return of Uganda — a country best remembered by many for the bloody rule of Idi Amin — to democracy after 20 years of strife and dictatorship.

Political party activities have been banned since 1986 when Mr. Museveni took power.

A referendum is due to be held to determine their fate in the year 2000.

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- Fed fines to
- Late-night schmoozer
- Recovered consciousness

DOWN

- 34 "you ready yet?"
- 35 Stratified
- 37 Zeta's follower
- 38 Classic invention
- 41 Singleton
- 42 Horse holders
- 43 Walkway
- 44 Protective covering
- 46 Gobbled up
- 47 Comedian
- 48 Eye-brow shape
- 50 The "C" of C.O.D.

Solution to Puzzle of June 28

RASCAL KISLEV
STHANGOLLO
THEWILLOW
REL MIAMI
INBLACKANDWHITE
MAYO LEAH FAX
MIOFLOSTRIPES
ENI ORIER
OAM ERGO
ICESTATIONZEREA
ATINO ATREE OOM
TITULAR SANTANA
OVERBIO OROEBED
REDSOX SANDORA

ACROSS

- 31 Magic charm
- 34 Droop
- 35 Arboretum item
- 39 Part of making a favorable impression?
- 42 Funeral stand
- 43 Debaucher
- 44 "Alfie" star
- 45 Artist Warhol
- 46 D. H. Lawrence's "and Lovers"
- 47 Append

DOWN

- 1 Tatters
- 2 "The Time Machine" people
- 3 Entranceway
- 4 Vulgarly dressed
- 5 Rock group
- 6 Leppard
- 7 Dairy Queen order
- 8 Long March leader
- 9 In (near death)
- 10 Buddies, in Beja
- 11 Museum extension
- 12 Gymnast Karbut
- 13 Mislav

DOWN

- 18 Bogus butter
- 19 Barnyard clucker
- 24 Say
- 25 Hawaiian cocktails
- 26 Explorer Sebastian
- 27 Meadowlands
- 29 It may have quarters downtown
- 28 Item sung in a song
- 31 Brief and to the point
- 32 Whatsoever
- 33 Stares open-mouthed
- 35 Blues singer
- 36 Basic
- 37 University bosses
- 39 Nuclear plant apparatuses
- 40 Skinfitt
- 41 "Othello" villain
- 49 Ump

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54 Shupely
56 Surprise attack
57 "Gubis" Rubik
58 Paradise
59 Tic-tac-toe win
61 Early broadcasting units.

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EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Lebed's Dark Side

Former General Alexander I. Lebed, a rising figure in Russian politics, last week gave the world a view of that side of his character that has long made him unpalatable to Russian liberals. Speaking to an assembly of "patriots" — which in Russia these days too often means intolerant xenophobes — he vowed to rid the country of foreign religions, including Mormonism, which he termed "mold and scum." He listed the three traditional religions of Russia as Orthodox Christianity, Buddhism and Islam, pointedly omitting Judaism. When a Cossack arose and asked a question in a deferential manner, Mr. Lebed said: "You say you are a Cossack. Why do you speak like a Jew?"

No one should need reminding that Jews have been a part of Russia for centuries and remain so today — or that anti-Semitism has a tradition almost as long as Mr. Lebed, who finished third in recent presidential voting, has now joined the campaign team of President Boris N. Yeltsin, who faces a runoff against the Communist party's Gennadi Zyuganov on Wednesday.

The strategy of the newly combined Yeltsin-Lebed team is evidently to go for the "patriotic" voters who shunned Mr. Yeltsin in the first round. But the tactic of inflaming prejudice is worrisome. The Yeltsin era has not been a bad one for Russia's Jews (the dark-skinned peoples of the Caucasus have come in for more abuse) and he has spoken out for tolerance, in contrast to Soviet leaders. But Mr. Lebed's comments are not the only worrying sign of a recent change. The Jewish Agency, a quasi-official Israeli organization that helps Jews emigrate and provides social and cultural services to those who choose to stay, has seen its offices closed and its work impeded by the Foreign Ministry.

The world is watching for clues to what kind of Russia will emerge from the presidential election. The anti-Semitism and intolerance of many of Mr. Zyuganov's backers are well known. It would be a deep disappointment to see Mr. Yeltsin allow some in his camp to ladle out the same poison.

—THE WASHINGTON POST.

End the Excuses

Defense Secretary William J. Perry has announced steps to protect American military personnel in Saudi Arabia — including a wider perimeter around the housing complex that was bombed last week, killing 19 American servicemen. His announcement came at the end of a week in which the Pentagon refused to concede that its security precautions were wholly inadequate and offered one unconvincing and contemptible excuse after another.

To declare, as America's top military officers did, that there was no way to expect a truck bombing with the explosive power of last week's attack is nonsense. To appreciate the importance of insisting on a defense against extremely powerful truck bombings, all they had to do was look at the White House.

A year ago, after the Oklahoma City bombing, the White House closed part of Pennsylvania Avenue to protect the president from large truck bombs. The distance from the White House to Pennsylvania Avenue is about 100 yards (92 meters). The distance from the Dhahran housing to the lightly secured park where a truck bomb exploded on Tuesday was about 35 yards. If the Secret Service realized that the White House perimeter was insufficient, why did the Pentagon settle for less protection for hundreds of American servicemen in Saudi Arabia?

That is only one of many questions the civilian and military leadership of the Pentagon must answer, not just for families that lost husbands, fathers, sons and brothers in the bombing but also for a country tired of lame excuses from the Pentagon about its fatal security lapses in the Mideast. Yes, terrorism is impossible to prevent altogether, but there is a great deal that should have been done.

The history of attacks against American installations in the Middle East fairly shouts a simple but neglected lesson: the bombs get bigger each time, and the defenses erected after one bombing always prove inadequate to defend against the next.

Foolish Flight

This is about a harrowing flight that never should have taken off from National Airport in Washington during a fierce storm a week ago. Because of a foolishly cockpitted decision to proceed in a crosswind gusting up to 50 miles (80 kilometers) an hour, the plane, with 111 passengers and a crew of seven, came perilously close to what could have been a disaster. USAir Shuttle, which is separate from USAir but has a working arrangement with the larger airline, has grounded the pilot and cockpit crew. An investigation may provide more details, but there is no question that the decision to take off was inexcusable.

There was a close call even as Flight 6500 was moving down the runway on takeoff. A sharp downdraft apparently slammed down a wing of the Boeing 727, damaging a light on the runway. But what was the pilot of this plane thinking in even beginning this flight, given these circumstances?

At 5 P.M., the airport authority received a warning of severe weather from the National Weather Service. Within two minutes, the authority notified the tower, all airlines and any other personnel listening. That's the limit of responsibility of any airport authority in such circumstances. The tower, operated by the Federal Aviation Administration, makes decisions about traffic: the airline crews also can decide not to go. At least two other flights ahead informed the controllers that they were unwilling to take off. But at 5:14, the shuttle crew decided to go ahead and risk it. Less than five minutes later, the controllers evacuated the tower — in effect a decision to stop all traffic — because of a tornado and fierce thunderstorms.

Officials did not wait for an investigation to ground the crew of Flight 6500. Terry Halcom, president and chief executive of the shuttle company, said in a Washington Times account while the company didn't know "all the details" about the flight, including why a wingtip on the plane was damaged, it was important to note that "the captain makes the final decision whether to take off or not."

It was a terrible decision of a kind that every airline serving the public must do its utmost to prevent.

—THE WASHINGTON POST.

For Hong Kong, a Bleak Future Under Beijing

HONG KONG — A year from today, on July 1, 1997, two red flags will fly over Hong Kong — one with the five yellow stars of China, the other with the single banyan flower of the Hong Kong Special Administrative Region. The lowering of the British flag on 30 June will represent the formal transfer of sovereignty over the territory to Beijing and end 155 years of British administration.

The Hong Kong special administrative region is supposed to be governed by China's Basic Law, which promises the people of the territory a high degree of autonomy for the next 50 years. Unfortunately, the devil of Hong Kong's future is in the details. Autonomy is a vague concept and can mean different things to different people. But we know enough about the way China operates to predict the following developments with a degree of certainty:

• Hong Kong's economy will more and more be controlled by a mainland that will impose tighter and tighter restrictions. That means Hong Kong will stagnate while Chinese cities like Shenzhen and Guangzhou continue to grow. Foreign companies here will be induced to move inland. All companies in Hong Kong, local as well as foreign, will suffer under the weight of corruption and unfair competition from mainland companies.

By Bruce Bueno de Mesquita, David Newman and Alvin Rabushka

• On the political front, Hong Kong's executive and legislative councils will run into the reality that neither will be able to exercise any independent action. While political parties will continue to exist, the electoral system will be rigged.

• Hong Kong's courts will try to maintain their independence and may be able to do so in commercial cases. But the idea of Hong Kong courts enforcing judicial decisions of mainland courts or mainland courts enforcing the decisions of Hong Kong courts should worry business executives and investors, whose assets could be at risk to arbitrary rulings. Some hope that China will improve its own legal system or that the international community can pressure Beijing to preserve the rule of law in Hong Kong. Such hope is misplaced. When it comes up against China's doctrine of sovereignty and the interests of the Chinese Communist Party, international pressure will fail.

• The ability of the Cantonese-speaking population of Hong Kong to work in English will decline as more and more of them adopt China's official dialect, Mandarin, as their second

language. As a result, Hong Kong's international orientation will diminish as its people rely on mainland movies, magazines, television and newspapers. Yet as Hong Kong looks to China, China will continue to focus on the West. Increasingly, Hong Kong's international businesses will depend on mainland Chinese to fill positions requiring English-language skills.

• Basic freedoms and rights in Hong Kong are as likely to be surrendered as taken. Many Hong Kong Chinese, anticipating what their future masters want, are already showing how they will behave. Academic freedom is all but gone already. While freedom of religion is supposed to be protected by the Basic Law, religious groups will "consult" with Chinese officials before scheduling significant meetings, to avoid offense.

• The Hong Kong dollar, which is pegged to the U.S. dollar, may not be able to withstand the transition to mainland rule. Two currencies are an inherently unstable arrangement for one country. Full convertibility and unrestricted capital movements are not the hallmarks of any Communist country, including China. Moreover, banks in Hong Kong will no longer be able to count on support from the Bank of England and the U.S. Federal Reserve Board as lenders of last resort in the

event of a run on the banking system.

Hong Kong faces a rocky road ahead. It will inevitably become controlled by the political competition for control of China. Victims of that competition will be the free press, academic freedom, open and fair elections, and at least part of the free market. A powerful coalition of hard-line Communists, corrupt military officers and greedy regional elites will erode Hong Kong's autonomy.

While Hong Kong will not be as tightly controlled as the rest of China, it will not longer be the place it has been for the past half century. The political and economic landscape will be marred by uncertainty, cronyism, lost freedoms and increased corruption.

It is a bleak outlook for what is widely regarded today as the world's best example of a free-market economy.

Mr. Bueno de Mesquita and Mr. Rabushka are senior fellows at Stanford University's Hoover Institution. Mr. Newman is a senior lecturer at Hong Kong's Lignam College. They are co-authors of "Red Flag Over Hong Kong" and contributed this comment to the International Herald Tribune.

A Court Ruling Pushes the Rear Guard Into Modern Times

BOSTON — It was The Case of the Last Bastion.

By any reckoning, the Virginia Military Institute was at the very rear of the rear guard. When other public colleges in Virginia weeded out, the institute resisted. While other military academies admitted women and saw them thrive, it refused.

No stranger to lost causes, the school that sent its boys out to fight the Yankees in the Civil

War was, along with The Citadel, the last publicly financed military college in the United States to refuse admission to women. But no longer.

I visited the spartan, neo-Gothic grounds of the institute six years ago, when T-shirts first screamed "Better Dead Than Coed." Even then, the college seemed less a threat to women's rights than an anachronism.

The gentlemanly commandant defended the famous "rat line" and the ritual abuse called "adversative training" as if it were an endangered species. He used words like "diversity" and "equality" in ways that were oddly familiar and utterly outlandish. He talked about "diversity of institutions" and "equality among men," values that would, he said, be destroyed by the equality of women and their presence at his school.

During the intervening years, as this case made its way to the Supreme Court, the institute's lawyers tested every revisionist argument in the gender book, new and neo, in defense of the all-male status quo.

At times they sounded like the presidents of women's colleges like Smith or Wellesley, singing the benefits of single-sex education, evoking the arguments of the avant-garde to defend the rear guard. At other times they sounded like pop psychologists assuring us that men are from Mars, women are from Venus.

In a last-ditch effort, Virginia established a "separate but

equal" program for women at nearby Mary Baldwin College. Men, they "explained," thrive through "adversative training," women through "cooperative training." An appeals court judge went positively lyrical, if not loony, writing "If VMI marches to the beat of a drum, then Mary Baldwin marches to the melody of a life and when the march is over both will have arrived at the same destination."

But last Wednesday, the U.S. Supreme Court called a different tune. Pop psychologists may say that we come from different planets, but the court says Americans of both sexes are governed by the same constitution.

Writing for the majority with the clarity and sense of history that has marked her career, Ruth Bader Ginsburg described the Mary Baldwin program not as an "equal" but as a "pale shadow" of the military institute's. She wrote that we cannot use stereotypes — "generalizations about the way women are" — as a justification for excluding all women. The court ruled, again and forcefully, that the state had to provide equal protection for men and women.

What happens now to the last bastion, this institutional endangered species?

In 1990, the cadet guiding me around the barre barracks asked me his trick question: "Would women change VMI?" I answered, "Of course" and he seemed surprised. Others who favored admitting women had told him that women would simply slip into the existing rat line.

I have no doubt that there are some women who will find this "adversative training," this booting through harassment, appealing, just as there are women who choose boot camp. Even among men, the institute appeals to such a small subset that the school accepts 75 percent of its applicants.

But I also don't hesitate to say that women will change the college. Change is after all the point.

Have we forgotten that laws against discrimination were

is part of the VMI "tradition."

There was no more reason to save the small darter of sex discrimination than to save the last Jim Crow of apartheid. But there is a difference between extinction and evolution.

If the institute remains a public college dedicated to the pro-

Needlessly Destroying a Tradition

By George F. Will

WASHINGTON — 'Twas a famous victory women woo last week. The Supreme Court gave them the right to enroll in an educational institution that will essentially cease to exist the moment they enter it.

Virginia Military Institute's men-only admission policy was put on a path to extinction 14 years ago when the Court held that men denied admission to Mississippi University for Women's nursing program were denied what the Constitution promises, "equal protection of the laws." After the Court's ruling against the Virginia Military Institute's male-only admissions policy, it is probable that all single-sex public education has been put on the path to extinction. So perhaps have all private single-sex institutions of higher education that receive significant government aid.

In the hands of any willful Supreme Court, the logic may forbid single-sex classes or sports teams in public schools, and government support for such single-sex programs as shelters for battered women and boot camps for young male offenders. What else? We will know when our robed masters tell us what single-sex programs have "exceedingly persuasive" justifications. The Virginia ruling establishes that vacuum as the judiciary's latest "standard."

The institute, one of Virginia's 15 publicly supported colleges and universities, enrolls just 1,300 of the 160,000 students in the state's public higher education system. It features an "adversative" education system emphasizing physical rig-

or, mental stress, military etiquette, absence of privacy and minute regulation of behavior. Virginia's effort to shield the institute from the "equal protection" challenge by creating a women's college an analogous program for women was inherently implausible.

Justice Ruth Bader Ginsburg, writing for the court, sought to portray the ruling as narrow by emphasizing VMI's uniqueness — its special prestige and its origins in 1839 in a context of male chauvinist stereotypes about women. Purging society of unacceptable stereotypes is the point of the court's ruling. The court engaged less in constraining the Constitution than in what is called "consciousness-raising."

Justice Antonin Scalia, dissenting, said the majority believed, against considerable evidence, that no substantial educational value was served by all-male military academies. He said inherently ambiguous constitutional texts such as the equal protection guarantee should be construed in ways that reflect respect for "constant and unbroken national traditions" such as educational diversity that includes some single-sex schools, including male-only military schools.

He noted that the majority criticized the "fixed notions" of our forebears regarding women's education, but that the majority favors its own notions so fixedly that it fixes them as constitutional mandates. He notes that the majority faults the "closed-mindedness" of our

forebears regarding women, but the majority wields judicial power to abort the system of democratic persuasion by which the public's mind is kept open, and changed.

"That system is destroyed if the smug assurances of each age are removed from the democratic process and written into the Constitution. So to counterbalance the court's criticism of our ancestors, let me say a word in their praise: they left us free to change. The same cannot be said of this most illiberal court, which has embarked on a course of inscribing one after another of the current preferences of the society (and in some cases only the counter-majoritarian preferences of the society's law-trained elite) into our Basic Law."

Earlier this year The New Republic's Jeffrey Rosen interviewed the institute's superintendent, General Josiah Bunting 3d, who lamented, "Our opponents aren't even trying to see this institution as it really is."

Mr. Rosen wrote that "almost everyone concedes" that women will never benefit from the institute's distinctive virtues because with the admission of women, that institute "will no longer exist." Or as General Bunting said, "This is everything that is good in our culture, and it's going to change irretrievably if they bring in women."

The people most pleased by the court's killing of the institution for which General Bunting mourns are people who describe themselves as defenders of "diversity" and "choice."

Washington Post Writers Group.

Rwandans Despair of Justice for the Leaders of Genocide

NEW YORK — A few weeks ago, at a garage sale in Kigali, the capital of Rwanda, a businessman stopped by my table to greet Gérard Gahima, the deputy justice minister.

"How's business?" Mr. Gahima asked him. "Not bad," the man said. "How's justice?" Mr. Gahima shook his head. "Not so good," he said. When we were alone, he put it more bluntly: "After genocide, justice is impossible."

It's true: The crimes committed against humanity in 1994 in Rwanda can never be fully punished. In 100 days, members of the Hutu majority, bent on exterminating the Tutsi minority, murdered at least 800,000 people. Tens of thousands more were raped or wounded. Nobody knows how many people took part.

"The majority of the people in this country," Mr. Gahima said. But, he added, "You cannot put all the people who committed these atrocities to death or in prison."

So what can be done? Nearly 76,000 people — accused, often summarily, of participation in genocide — have been packed into Rwanda's jails. None have been brought to trial.

The government has proposed a law to deal with these suspects, reserving capital punishment for the masterminds of the slaughter, but even if it passes, a problem remains. The leaders of the genocide have fled into exile, beyond the reach of Rwandan justice. That is why the United Nations created a war crimes tribunal for Rwanda.

The Rwanda tribunal is to prosecute the fugitive masterminds described in Rwanda's proposed law. But the tribunal does not appear to be helping Rwanda's quest for justice. The tribunal's courtrooms and prisons are not in Rwanda but in so-called neutral territory, in Arusha, Tanzania. And it is not empowered to seek the death penalty.

To the Rwandan government, these arrangements are an insult. Nazi war criminals were tried in Nuremberg and Japanese war criminals in Tokyo,

for maximum impact on their societies — and the convicted faced execution.

What's more, the tribunal has frustrated Rwandan efforts to extradite suspects. Two months ago, Cameroon arrested 12 Rwandan suspects, including Colonel Théoneste Bagosora, the purported military mastermind of the genocide — Rwanda's counterpart to Bosnia's Ratko Mladic. Colonel Bagosora is accused of ordering the execution of 10 UN peacekeepers from Belgium.

Belgium had already issued an international warrant for him, and after his arrest, so did Rwanda. But the tribunal, which has yet to indict the colonel, claims "universal jurisdiction." So he remains in Cameroon, in legal limbo.

Each time the tribunal obstructs Rwanda's efforts, hearts harden in Kigali.

"The Rwandan people know this is the same international community that stood by and watched them get killed," Mr. Gahima said. "It makes it harder to forgive the ordinary people if we don't have the leaders here to be tried in Rwandan courts before the Rwandan people according to Rwandan law."

So far, the tribunal holds only three suspects, and trials will not begin before September. That leaves plenty of time for the tribunal to move its proceedings to Kigali or, better yet,

to hand over its prisoners to Rwanda.

The author, a contributing editor at The Forward, wrote this for The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Broglie Article

LONDON — The Times, in a leader on the Duc de Broglie's article in the *Revue des Deux Mondes*, says: "It is impossible to imagine that the other European Powers — which have recently encouraged England to do her duty as the protector of Egypt in the Sudan — would agree, at the suggestion of France, to impose us in the performance of a task we have undertaken with their approval." The value of the paper lies in the fact that it lays them [considerations] in a clear and dispassionate manner before thoughtful Frenchmen.

1921: War State Ends

WASHINGTON — Peace between the United States and Germany is a matter of hours, since the House today [June 30] passed the conference report on the Porter Peace Resolution. This measure will put an end to

the state of war between the United States and Germany. It will now go to the Senate where it is expected to pass shortly. President Harding will then get the measure for signature.

1946: Leader Taken

BATAVIA — The Indonesian Nationalist radio at Jogjakarta announced that Sutan Jahjuri, Indonesian Republican Prime Minister, was taken from his hotel at Soerakarta on Thursday night [June 27] by armed men. Taken with Jahjuri were the Republican Social Affairs Minister and the officer in charge of the air evacuation of Dutch internmentees. Indonesian officials said they were "completely bewildered by the news" and were vainly trying to communicate by telephone and telegraph with Jogjakarta. Dutch authorities feared the incident might halt the evacuation of Netherlands internees from the interior.

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LANGUAGE

Watch Out for Who and Whom, But Don't Overdo It

By William Safire

WASHINGTON—Trust is hot. Even the most contrarian pundit agrees that this presidential election will be decided on which candidate is most trusted by the voters.

At an April 15 rally outside Philadelphia, Bob Dole put it this way: "If something happened along the route and you had to leave your children with Bob Dole or Bill Clinton, I think you'd probably leave your children with Bob Dole.... It all boils down to, Who do you trust?"

In his riposte, Bill Clinton told a dinner of White House correspondents in May: "Let's say that you were going on vacation for a couple of weeks—who do you trust to water your plants—Bob Dole or Bill Clinton?... You go home to night, and you decide to order a pizza—who do you trust to select the toppings?"

Because the non-partisan rigor of this language column is a wonder to behold, no position is here taken on the piousness of the original Dole thrust or the quality of decision in the Clinton counterthrust. This is my biennial (that's every second year; biannual is twice a year) item about the persnickety whowhom.

Is it who you trust or whom do you trust?

That's easy: because who is nominative and whom is objective, and the sentence parses as you/trust/the object, then it should be you/trust/him, or whom, not he or who. Thus

the correct question should be "Whom do you trust?"

Say what? That's the sort of advice you get from a person whose icy secretary says: "Whom should I say is calling?" We are faced here with what grammarians as renowned as Henry Fowler and Otto Jespersen discussed as "the hyper-correct whom."

Whom has its place in current usage. As the object of a preposition, whom not only is right but also feels right, as in "For Whom the Bell Tolls." Similarly, "To Whom It May Concern" is natural; "To Who" would be anathema to a native speaker. Whom also feels right in "the one whom we feared," not "the one who we fear" (unless more is added: "He is the one who we feared would win the election").

But at the beginning of a sentence, whom comes across as an affectation.

In politics, formality went out with neckties, and what is comfortable to the listener's ear is to be preferred in address. Whoever the coming election favors will begin his sentences with who—despite the correctness of whom in that instance—and he will thank whomever he wants for pointing this out.

Therefore, the time has come to provide a corollary to Safire's Law, which is "Whenever whom is correct, recast the sentence."

The corollary is "Who begins a sentence with whom will never be elected president of anything." (In that sentence, who is nominative, or

substantive, or subjective—pick one; they all mean the same—and is right in its own right, not just because it comes at the beginning.)

Who do you trust? On this, trust me, than whom there is one more contemptuous of pandering.

"Labor is talking the ish," said Benjamin Netanyahu in his campaign to become prime minister in Israel. "That was a bilingual pun. Ish means 'the man' in Hebrew; Netanyahu was saying that his opponents were turning away from the issues of the campaign in order to concentrate on him as an individual, as an ish."

A few years ago, after making a mistake that seemed to cast scorn on a former colleague, I admitted to a *Schadenfreude* ship. That was a play on the German *Schadenfreude*, "gladly taking pleasure in the suffering of friends," and *Freudian slip*, "a mistake revealing subconscious attitudes," based on teachings of Sigmund Freud, the one-man Freud of his day.

With bilingualism on the rise, are bilingual puns increasing? Lexicographic irregulars are urged to send examples to Punnett, The New York Times, 1627 Eye Street NW, Washington, D.C. 20006.

The Economist magazine considered the impending issuance of a lengthy report by the Intergovernmental Panel on Climate Change and warmly welcomed it as "two thousand pages of bumph."

My first thought was that *bumph* was a recent derivation from *bumflog*, an Americanism meaning "bombast, bloviation, empty talk," rooted in an acronym used by reporters covering Governor Nelson Rockefeller, who liked to use the expression "brotherhood of Man, fatherhood of God."

In an 1889 dictionary of slang by Barrère and Leland, however, the word is described as schoolboys' slang and defined as "paper.... A *bumphunt* is a paper-chase."

WAKING THE TEMPESTS: Ordinary Life in the New Russia
By Eleanor Randolph. 448 pages. \$25. Simon & Schuster.
Reviewed by Julia Watson

THE first time I went through customs at Moscow's Sheremetyevo Airport, I was seven months pregnant. My husband went ahead with the suitcases and opened the first of them. Inside, pressed edge to edge, was row upon row of Western condoms we had brought as barter and gifts for our four-year posting to the then Soviet Union. The young military-uniformed inspector lifted his eyes and ran them over my inflated stomach. "So," he observed to my husband, "you don't work either." It was a splendid introduction to Russian phlegm.

Of all the postings to which American correspondents have been sent in this century, only Vietnam and the Soviet Union/Russia have inspired so many memoirs, analyses and novels. This has as much to do, I suspect, with the passionate level of intensity at which life is lived as with the critical roles they played in America's history. Eleanor Randolph, who worked for the Washington Post in Russia from 1991 to 1993, has written the latest, an account as heart-wrenching and compelling as the country.

What is odd is that though the book is subtitled "Ordinary Life in the New Russia," Russia does not seem to have changed much at all since the Soviet Union dissolved. It comes across like a revamped and suddenly expensive restaurant whose new menu disguises familiar dishes while the kitchen staff has merely switched chef's hats.

Old babushkas still stand in line in the snow, but now they are waiting not to buy, but to sell. *Blat* (influence), the crucial element under the Soviets that bought luxuries like cars, large apartments and good medicine, has given way to money. And money, its value shifting like sand, is as hard to come by as the goods that used to be proffered as bribes.

"Some Russians," says Randolph, "would ask an American to imagine waking one morning to find that a new automobile cost \$10 million and a lifetime savings of \$10,000 would not buy a pair of tennis shoes."

Sexual aids and erotica may be openly available, but little has altered with respect to birth control. It's still the woman's job. With the most available option being the old Soviet condom—so thick it's known as a *galosh*—it's no surprise to learn that abortion remains the most regular form of contraception. Even the new Russian woman can have eight or more. The new Russian man's attitude to sex is similarly distressing.

Many, Randolph suggests, "often seemed to prefer a kind of sex that we would call

abuse or perhaps even rape if it happened in Europe or America." Igor Kon, a sexologist (at least that's new), blames the Soviet system, which turned men into obedient and docile beings at work who took their anger out on their women.

Randolph's small asides, too, are throwbacks to the Soviet era: truckers unfreezing their oil sumps with flaming rags; hailing an ambulance as a taxi; cigarette butts on a hospital floor; the hospital ceiling that fell into her lap.

"Democracy by 1995 became an unfriendly concept in Russia," Randolph writes. "It was a word that increasingly meant lack of control or even weakness brought on by muddlers from Washington or Tokyo or the Common Market."

Socially, the Russians are responding with customary distrust and slowness to change. They will get to their version of democracy in their own fashion, at their own speed, probably paying terribly along the way, as Russians always have.

Reporting directly from the people, Randolph has tallied with affection and power the financial, physical and emotional impact of the struggle to set up a new nation for the second time in eight decades.

Julia Watson, a British correspondent based in Moscow from 1984 to 1988, wrote this for *The Washington Post*.

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INTERNATIONAL

3 Publicity Shy Americans Helping Yeltsin Campaign

By Lee Hockstader
Washington Post Service

MOSCOW — At least three American political consultants are working on President Boris N. Yeltsin's re-election campaign in an atmosphere so secretive that they do not hand out business cards and have avoided contacts with the U.S. Embassy in Moscow, according to sources in Russia and the United States.

At least two of the consultants, both of them longtime Republican operatives with ties to Governor Pete Wilson of California, have been living at the President Hotel in Moscow, where Mr. Yeltsin has his campaign headquarters.

They have been there for most of the last month.

There is nothing illegal or especially unusual about American consultants acting as advisers to political campaigns overseas.

But in Russia's increasingly nationalistic and xenophobic mood,

the Americans have been careful to maintain a low profile and have assiduously avoided pre-election publicity.

The concern is that their involvement in Mr. Yeltsin's campaign could be seized upon by the president's Communist challengers as "proof" that Washington is meddling in Russian politics — even though the men are not working on behalf of the U.S. government.

The Communist Party candidate, Gennadi A. Zyuganov, who faces Mr. Yeltsin in the runoff election on Wednesday, is fond of nationalist rhetoric, suggesting that Mr. Yeltsin is serving masters in the West, particularly in Washington.

Asked about the activities of the three Americans on behalf of Mr. Yeltsin, one top campaign strategist issued a blanket denial.

"It's a damn lie," said Vyacheslav Nikonov. "There are no foreigners here, not a single one. They're not even allowed into the hotel. I've never heard of that. I've

never seen a paper produced by any Americans."

Nonetheless, sources confirmed that the three men, who have no previous experience working in Russia, have been helping create the Yeltsin image and political message based on polls and surveys.

The sensitivity of the men's involvement with the Yeltsin campaign was underscored by their edgy reactions to telephone calls from a reporter last week.

Reached at the President Hotel, one of the advisers, George Gortov, said he would "think about" discussing his role in the Yeltsin campaign. He did not call back.

The other adviser in Moscow, Joe Shumate, refused to confirm his identity on the phone, although the hotel operator and floor concierge both identified him as the occupant of the room. Asked about his involvement in the Yeltsin campaign, he said: "What involvement? I don't plan to talk about it at all." He then hung up.

A third campaign adviser, Dick Dresner, who was reached by phone in New York, said curtly, "There's nothing I could possibly add or subtract from such an article." He also hung up.

One source said other American consultants had been working on the Yeltsin campaign, but their identities could not be learned.

It is not entirely clear how the three hooked up with the Yeltsin campaign, but it appears that the Russians did not engage in anything close to an exhaustive search for talent.

Sources also suggested that the three men were being paid directly by the Yeltsin campaign, but by some third party.

One source said that friends or political associates of Mr. Yeltsin had contacts in the San Francisco Bay Area in California.

One of these contacts referred Mr. Yeltsin's aides to Mr. Shumate, the source said. Mr. Shumate, in turn, recruited Mr. Gortov and Mr.

Dresner. All three have ties to Governor Wilson, a Republican, and one of them, Mr. Dresner, has worked closely in the past with Dick Morris, a top White House strategist for President Bill Clinton.

In the Yeltsin campaign they have dealt with various figures, including Oleg Soskovets, an anti-reform former first deputy prime minister dismissed June 20 by Mr. Yeltsin amid allegations he was interested in calling off the runoff election.

Some inside sources said the Americans had also dealt with Mr. Yeltsin's daughter, Tatiana Dyachenko, who has become a key image-maker for her father's campaign.

Mr. Shumate was described by one California Republican as "the best political mind of anyone I've known with the exception of Lee Atwater," who was a political adviser to George Bush when he was president.

YELTSIN: Illness Could Affect Vote

Continued from Page 1

paigned commercials hits the airwaves. The source said that if Mr. Yeltsin remains out of sight, his re-election drive, which depends on a high turnout, could be in trouble.

Yeltsin aides have said he needs at least a 60 percent turnout to defeat Mr. Zyuganov. The turnout in the first round on June 16 was almost 70 percent.

In remarks to the Interfax news agency Sunday, Mr. Lebed also said that "scoundrels are being ousted from the Army," referring to nearly a dozen generals and top military officials who have been fired over the last week.

Mr. Lebed said he was pushing for the appointment of Igor Rodionov as minister of defense.

General Rodionov, currently chief of the General Staff Academy, was commander of Russian forces in Thailand in April 1989 when they attacked a group of nationalist demonstrators, killing 20. Mr. Lebed said General Rodionov was "slandered and ill-used" after the attack.

Interfax distributed a lengthy document today which it said was an "interview" with President Yeltsin.

But Interfax editors said their correspondent had simply given them a text of Mr. Yeltsin's remarks, and they did not know if the correspondent had actually seen Mr. Yeltsin. They said the correspondent was unavailable for comment.

It is not uncommon for Russian news agencies to pass off as an interview what are really written answers to written questions.

The leading Russian television news broadcasts, which have all supported Mr. Yeltsin's re-election, read from the Interfax "interview" while showing film footage and snapshots of Mr. Yeltsin taken earlier. They did not question why Mr. Yeltsin has been out of sight.

The president, who is 65, suffered two bouts of heart trouble last year and aides repeatedly sought to hide the true extent of his illness.

In the Interfax text, when asked about why he has slipped from view, Mr. Yeltsin is quoted as saying, "I have been working every day" with aides and "giving dozens of TV and radio interviews."

He added, "I even almost lost my voice." It was not explained how Mr. Yeltsin could have given the Interfax interview if he was ill.

It was also reported earlier that Mr. Yeltsin might meet Sunday with the economist Grigori A. Yavlinsky, who placed fourth in the June 16 first-round vote, but the meeting apparently did not occur. Instead, Mr. Yeltsin announced, in the Interfax text, that, "I consider Grigori Yavlinsky my ally."

Mr. Yeltsin, hoping to reap votes which went to nationalists in the first round, also made some uncompromising remarks on foreign policy.

He said Russia would resist territorial claims by Estonia, which has a border dispute with Russia, and by Japan. He promised to visit one of the Kuril Islands which have been in dispute between Russia and Japan since World War II.

Mr. Zyuganov, at a news conference Saturday, again tried to exploit Mr. Yeltsin's illness.

The strain his team put on him with rock concerts and long-distance trips has ended up with him now out in a condition to travel even on short trips," said Mr. Zyuganov, who has also not traveled outside of Moscow since the first round of voting.

Mr. Zyuganov also pointedly brought up Mr. Yeltsin's two hospital stays to recuperate from the heart problems last year, and he noted that Mr. Yeltsin had scrapped plans to attend the summit of the Group of Seven major industrialized democracies in France.

SERB: Karadzic Steps Aside

Continued from Page 1

Post, showed it was dated June 26. Mr. Bildt's statement on Sunday said that "as of today, Mr. Karadzic cannot exercise any public functions or public powers as president."

It added, "It is immediately illegal for any public official or institution to accept decisions by or instructions from Mr. Karadzic."

Mr. Karadzic's announcement by no means fulfills the provisions of the peace accord, which demands that all sides cooperate with the war crimes tribunal at The Hague.

Sooner or later, Western officials here said, the West will have to confront a difficult decision. Either it uses the 60,000 NATO soldiers dispatched to Bosnia to capture alleged war criminals like Mr. Karadzic, or they will probably stay free.

If they stay free, then they will continue to use their substantial influence to block the parts of the peace deal that seek to re-unite Bosnia in a loose federation of Croat, Muslim and Serb.

That would bring the division of

the country along ethnic lines and the creation of an explosive mix of three minorities that some Western diplomats predict could lead to a new war.

Mr. Karadzic's removal was also considered a condition for the holding of national elections on Sept. 14. The elections are a key element in the peace plan, and if they do not occur U.S. and other NATO troops will have a hard time leaving Bosnia within the one year period promised by President Bill Clinton.

Mrs. Plavsic adheres to the same ultra-nationalism that triggered war in the region in the first place.

At one point in the early stages of the conflict, she declared that half of the world's 12 million Serbs could die as long as the end result was that they all lived in one state — Greater Serbia.

Nicknamed the "Iron Lady," she has planted kisses on the cheek of the Serbian paramilitary leader Zeljko (Arkan) Raznatovic as his gunmen slaughtered hundreds of Muslims in the streets of Bijeljina in eastern Bosnia.



HAND FOR THE LEADER — Yasser Arafat finding his step with the aid of advisers and bodyguards Sunday as he visited a bridge built in the Gaza Strip by the Palestinian Authority.

NATO Expansion: How Quick?

Some East Europeans Say the Risks Outweigh the Gains

By James Rupert
Washington Post Service

KIEV — Boh Dole, the Republican presidential candidate, has vowed that if he is elected president he will work to bring Poland, Hungary and the Czech Republic quickly into the NATO alliance.

But some pro-Western governments in Eastern Europe say such a move would harm rather than improve regional security here.

In recent weeks, Mr. Dole has criticized President Bill Clinton over the North Atlantic Treaty Organization's slow pace in admitting members from the former Soviet bloc.

NATO officials say Poland, Hungary and the Czech Republic are leading candidates to join the alliance, perhaps by 2000. But they have left the date for expansion and the list of new members vague, partly to avoid aggravating Russia, which opposes NATO's enlargement eastward.

Last week, Mr. Dole accused Mr. Clinton of appeasing a newly aggressive Russia, partly by being "deliberately slow" to expand NATO. Mr. Dole said that as president he would strive to admit the three Eastern European nations to NATO by 1998.

But a swift, limited expansion of the alliance would split Eastern Europe, according to government officials and foreign policy scholars interviewed in several countries in recent weeks. It would give more security to the new NATO members while leaving other nations — notably the Baltic states, Ukraine, Belarus and Moldova — to form a tense buffer zone between the enlarged NATO and a more angry, aggressive Russia, they said.

Other than Mr. Dole's recent campaign attacks over NATO expansion, and his introduction of a Senate bill to speed up the process, the issue has seen almost no public debate in the United States. But for policymakers in Eastern Europe, NATO's expansion has been a prominent, divisive issue.

Most of the 12 East European

countries asking to join NATO are seeking the alliance's protection against Russia, which considers the region part of its traditional sphere of influence.

NATO officials have said the alliance is likely first to accept Hungary, Poland and the Czech Republic because their post-Communist transformations to stable democracy and market economies are the most advanced.

But such an expansion will "give more security" to those in Eastern Europe who need it least, and create more danger "for those already at most risk," said Anatol Maisenya, director of an independent foreign affairs institute in Minsk, Belarus.

Russia's military catastrophe in Chechnya demonstrates that it can pose little near-term threat to Poles, Hungarians or Czechs, Mr. Maisenya and others said — so early NATO membership may not really be so important.

An enlargement of NATO eastward will leave Russia's immediate

NEWS ANALYSIS

European neighbors "caught in between," said Ihor Kharchenko, a top policy planner in Ukraine's Foreign Ministry.

NATO's plan to expand is leading Russia to step up political and economic pressures on its neighbors that "don't enhance our security," he said.

Ukraine would prefer to see NATO's schedule for expansion drawn out, to give Ukraine more time to build internal stability to withstand such pressures, he said.

In the 19 months that NATO has pursued official plans to expand, the government of President Boris N. Yeltsin of Russia has been hardening foreign policy against its neighbors, notably by seeking a greater military role in these countries.

Last year, Russia signed 25-year leases to two military bases in Belarus and took a role in guarding that nation's borders.

Moscow is pressing Ukraine and Moldova for bases on their terri-

ories and for their entry into a Moscow-led military bloc to counter NATO expansion.

While some of the pressure may be linked to Mr. Yeltsin's campaign for re-election, Mr. Kharchenko and others said they expect a tougher line from Russia after the election, regardless of the outcome.

The tiny Baltic states — Estonia, Latvia and Lithuania — are especially vulnerable. Mr. Yeltsin's government and his hard-line opponents have condemned Estonia and Latvia for restricting citizenship for ethnic Russians there.

East European diplomats said Russia has been particularly insistent that no state on its borders should be permitted to join NATO, and this spring, a hard-line Moscow foreign policy think tank recommended invading the Baltic states to prevent their accession to the alliance.

A recent study by the Rand Corporation concluded that NATO will turn down the Baltic application for membership out of hesitation to confront Russia so directly. Last week, Mr. Dole, too, stopped short of advocating early admission for the Baltic states, saying only that they "highly aspire" to membership.

The Baltic states have voiced fears of a NATO expansion that might exclude them. Moscow's seizure of the Baltics in 1940, and its current efforts to retain a sphere of influence over its neighbors, "show us we cannot rely on neutrality to protect our security," said Vyacheslav Usackas, director of the Political Department of the Lithuanian Foreign Ministry. "We need to be in the institutions that have secured Western Europe for the last 50 years, the European Union and NATO," he said.

Diplomats from NATO nations assigned to countries bordering Russia said they share the worries that NATO's expansion could subject this region to increased Russian pressure.

In 1992 and 1993, the idea to enlarge NATO "arose amid the euphoria of the collapse of the Warsaw Pact and the Soviet Union," when a more pro-Western Mr. Yeltsin seemed a partner in creating a new security architecture, said a Western diplomat who spoke on condition he not be named.

By the time NATO committed itself to expanding, in December 1994, it noted Russia's growing resistance, the diplomat said. But "there's no evidence that anyone had done any detailed thinking" about the risks to Russia's once-Soviet neighbors in pushing ahead.

Another envoy agreed, saying, "I still think enlargement is the right choice, but it's more difficult these days to be sure" that the improvements to European security will outweigh the potential damage.

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الشرق الأوسط

INTERNATIONAL

Dominican
Voters Try
To End Era

Reuters

SANTO DOMINGO, Dominican Republic — Voters went to the polls across the country Sunday to cast their ballots in a presidential runoff election that will end six decades of domination by just two political strongmen, outgoing President Joaquín Balaguer and the dictator Rafael Trujillo.

About half of the nation's 7.5 million people are registered to vote in a race that is expected to be close. They will decide whether José Francisco Peña Gómez of the center-left Dominican Revolutionary Party or Leonel Fernández of the Dominican Liberation Party, a centrist, will succeed Mr. Balaguer.

In the first round, Mr. Peña Gómez finished first with 46 percent, to Mr. Fernández's 39 percent, forcing a runoff.

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José Francisco Peña Gómez, a candidate for the Dominican presidency, addressing crowds at a final campaign rally in Santo Domingo.

New Armed Rebel Group Is Stirring Fears in Mexico

By Molly Moore
Washington Post Service

MEXICO CITY — The Mexican government, fearful of political unrest in one of its most troubled states, intensified its military hunt during the weekend for members of an armed band that claims it is a new rebel army trying to overthrow the government in the Pacific coastal state of Guerrero.

The jittery national government, concerned that many Mexicans as well as foreign investors might fear that the country was on the verge of another guerrilla insurrection after Friday's surprise appearance of a group calling itself the Popular Revolutionary Army, issued a statement late Saturday declaring, "There is in the country a climate of tranquility," adding that "there are no fresh reports of any activity related to that group."

But Mexican officials were alarmed by the public pronouncements of the group of men and women wearing olive green uniforms and armed with AK-47 and AR-15 assault rifles during a ceremony marking the deaths a year ago of 17 peasants gunned down by police in the Guerrero village of Aguas Blancas. Mexican reporters at the scene of the incident Fri-

day said about 80 armed guerrillas wearing brown bandanas to hide their faces barged into the ceremony and took over the microphone with a fiery reading of their political manifesto. The Mexican attorney general's office issued a statement saying the band numbered 38 and attempting to dismiss them as "delinquents" rather than a

new rebel force. The group, identifying itself as the Popular Revolutionary Army (with the Spanish initials of EPR) and claiming it has 500 members, fired a 17-gun salute in honor of the slain campesinos and vowed, in part, to overthrow the nation's "unpopular, undemocratic, demagogic and illegitimate" government and restore "basic human rights."

Many political officials have been fearful that Guerrero, an impoverished and politically troubled state better known outside of Mexico for its famous Acapulco beach resorts, could be the country's next scene of a peasant uprising. For the past year, local government officials have reported numerous random attacks on government buildings and shootouts with local police. Rebel leaders in Chiapas, only one state removed from Guerrero, also say they have been meeting with Guerrero peasants during the past year in an effort to broaden their political base.

However, while the rebels in Chiapas led an open confrontation with Mexican authorities when they led a siege in the state capital on New Year's Day 1994, the armed gang that appeared Friday did not invite a clash with police, instead melting back into the trees after their brief appearance.

Throughout the weekend, the Mexican government dispatched troops, helicopters and armored vehicles into the countryside northwest of Acapulco in an attempt to find the guerrillas and charge them with illegal possession of firearms. Some Mexican newspapers said as many as 3,000 troops are involved in the hunt, although a government statement said a company of 99 Acapulco-based soldiers were mobilized. Troops were hampered by the pelting rains and winds of Hurricane Boris, which felled trees and made many roads in the area impassable.

Guerrero has been the scene of one of the government's biggest scandals in a year packed with scandals. The state's governor, Ruben Figueroa Alcocer, was forced to step down from his office earlier this summer when the Mexican Supreme Court accused him and other high-ranking officials of a cover-up involving the deaths of the 17 peasants last year. Officials are accused of doctoring a video tape of the incident in which police allegedly placed guns in the arms of the dead peasants and released the film. An unedited version of the video was discovered and released this year, leading to the action against the governor. But Guerrero's state legislature earlier this month cleared Mr. Figueroa of any wrongdoing, paving the way for him to return to office.



A Mexican Army soldier talking on the radio Sunday after troops set up a checkpoint southeast of Acapulco in the hunt for an armed group in Guerrero state.

A Long, Grim Year for Families of Kashmir Hostages

By Kenneth J. Cooper
Washington Post Service

NEW DELHI — As they had done on many previous trekking trips, Donald and Jane Hutchings set up camp for the evening, this time in a green valley with wildflowers blooming and trout swimming nearby in a mountain river.

Then armed visitors arrived. "We had been sitting around our campsite for maybe two or three hours, washing some clothing, resting, writing in our journal, and a group of 10 to 12 militants walked into our camp," said Jane Schelly Hutchings, 41.

"They asked for our nationality and wanted to see our passports," she said. The American couple were camped in the disputed Indian state of Jammu and Kashmir, where Muslim separatists have waged an insurgency since 1990.

Around nightfall, Donald Hutchings and several other Western men were marched down a hillside. They had been told they were going to see the militants' commander

and return early in the morning.

Jane Hutchings, believing the militants figured her husband would be back about 6:30 A.M. "I kept looking at that hillside for them to be walking down that trail, and they didn't come," she said.

Donald Hutchings, 43, still has not come back. This week marks a year since he was abducted by a previously unknown militant group, Al Faran, on the Fourth of July. Three other Western hostages taken by the group in Kashmir in July 1995 remain missing: Keith Mangan and Paul Wells of England and Dirk Hasert of Germany. The rebels killed one of the foreigners, Hans Christian Ostro of Norway, last August.

It has been seven months since authorities last definitively heard from the captors through intermediaries. Western diplomats and Indian authorities have continued to say that the hostages are alive, despite the long break in communication.

Fears the hostages might be dead were aroused last month when a captured militant said they had been killed and buried in December.

Early this month, Indian police, joined by investigators from the FBI and Scotland Yard, searched the reported burial area near Magam village with the help of German tracking dogs. No bodies or graves were found.

Indian officials and Western diplomats maintain that Al Faran is a front for the Harkat-ul-Ansar, a Pakistan-based group that has the largest number of armed militants in Kashmir. Both India and Pakistan claim the Himalayan state, the only one in India with a Muslim majority.

Al Faran initially demanded the release of 21 imprisoned separatists, including three Pakistani members of Harkat-ul-Ansar. The captors also sought cash from the British government.

Jane Hutchings said she agreed all along with the affected governments' decision not to cut a deal with the hostage-takers. After the abduction, she spent four months in India, hoping there was some way she could return to Spokane, Washington, with her husband.

"By participating in any type of negotiations or ex-

changes, it's only going to lead to more kidnapping in the world, although in our hearts we want our husbands back," she said in an interview here.

Jane Hutchings, a physical education teacher, arrived in India this month to plead again for the four men's release on behalf of their families.

In Srinagar, Kashmir's summer capital, she met government officials and, for the first time, leaders of various separatist groups. "We say to Al Faran, they can't profit from this," she said. "If they're looking for an opportunity, a time or a reason to release them, this is the one year's mark. Now's a good time."

Last February, there had been some hope that Al Faran would let the hostages go around the time of Id al Adha, the most important Islamic holiday of the year. But their leader was killed a few days before, while making explosives.

Mrs. Hutchings has requested a meeting in Islamabad with Prime Minister Benazir Bhutto of Pakistan. Miss Bhutto has pledged her gov-

ernment's cooperation and called for the hostages' release.

Mrs. Hutchings said she and her husband were an adventurous, childless couple who often traveled and trekked in the Americas, Europe and Asia. In 1991, they had gone trekking in the eastern part of Jammu and Kashmir, far from the state's political turmoil.

It was she who wanted to go to the Kashmir Valley, a popular tourist destination before the insurgency. They knew of the area's political turmoil but did not know that 14 foreigners were kidnapped there in 1991 and 1994. They did not inquire at the U.S.

Embassy about the safety of their trekking plans, which she acknowledged had been a mistake.

"I think possibly from an American point of view, you might expect a problem, a riot in the city, but not out in the mountains," she said.

Donald Hutchings, a neuropsychologist who recommended therapies for victims of head injuries, taught backpacking courses in Spokane and had climbed Mount McKinley in Alaska.

She believes he is still alive and could easily have survived a rough year in captivity, including a harsh winter in the mountains of Kashmir.

BRIDGE

By Alan Truscott

TWO favored teams were on the sidelines recently in the International Team Trials, which will determine the American Open Teams in the World Championships on the Greek island of Rhodes in October.

Jim Payne, Brian Glubok, Chick Burger, Paul Soloway, Bob Goldman and Mike Passell lost in the first round. The winners were Edgar Kaplan, Norman Kay, Bill Root, Richard Pavlicek, Sidney Lazard and Bart Bramley. The Kaplan team won by 76 imps.

Matches are of 90 deals and last a day and a half. At the midpoint of the quarterfinals all matches were in the balance.

Lazard and Bramley earned a slam swing on the diagramed deal against the Payne team.

East's pre-emptive overcall of four clubs forced some guessing, and Lazard and North eventually bid six spades. The club queen

NORTH (D)
♠ 10 5
♥ A J 10 8 3
♦ A Q J 8 4 3
♣ —
WEST
♠ Q J 2
♥ K Q 9 4
♦ 10 8 7 6 5
♣ Q 8
EAST
♠ 9 8 7
♥ 7 6 2
♦ A K J 5 4 3 2
♣ —
SOUTH
♠ A K 8 7 6 4
♥ 6
♦ 9 8 5
♣ 10 9 7 6
North and South were vulnerable.
The bidding:
North East South West
1 ♠ 1 ♠ 4 ♠ 5 ♠
2 ♠ Pass 5 ♠ Pass
3 ♠ Pass 6 ♠ Pass
West led the club queen.

CIA Knew of Guatemala Abuse, Panel Says

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — A presidential advisory panel has disclosed that the Central Intelligence Agency employed multiple informants in the Guatemalan government and military forces over the last decade who agency officials knew were involved in assassinations, torture, kidnappings and murders in that country.

The Intelligence Oversight Board also concluded that CIA officials wrongfully kept information about these crimes and other human rights abuses committed by their paid Guatemalan informants from

Congress, committing a violation of U.S. law that continued until late 1994.

The board did not identify the informants, whom the CIA paid while providing extensive assistance to Guatemalan military operations against peasant guerrillas from 1984 to the early 1990s.

The board declined to accuse any individuals at the CIA of deliberate deception or criminal wrongdoing. It blamed instead a systematic failure by the agency to pay heed to the issue of human rights in its foreign operations until 1994.

At that time, abuses by a paid CIA informant in another Central American

country, El Salvador, provoked a broad CIA investigation and a damning internal report on its human "assets."

None of the questionable informants remain on the CIA's payroll, but only one was dropped because of involvement in human-rights abuses, according to the board.

The report resulted from a 15-month investigation. It grew out of allegations by Representative Robert G. Torricelli, Democrat of New Jersey, last year that the CIA had on its payroll a Guatemalan military officer linked to the murders of an American innkeeper, Michael DeVine, and a Guatemalan guerrilla married to a U.S. citizen, Jennifer Harbury.

CAPITAL MARKETS ON MONDAY

Jobs Data Are Key to Rally's Staying Power

Bloomberg Business News
NEW YORK — After posting the biggest one-week gain in more than a year, the U.S. Treasury bond market could stumble next week, particularly on the unemployment report, unless the economy shows signs of slowing.

The price of the benchmark 30-year Treasury bond surged more than two points last week, pulling its yield down 20 basis points, to 6.89 percent.

Bond investors were optimistic last week because of expectations that a slowing economy will keep the Federal Reserve Board from raising interest rates at the two-day meeting of its policy-setting Federal Open Market Committee, which begins Tuesday.

Still, there is a risk that bond yields

could rise even if the Fed does not raise interest rates immediately, some investors say. For a rally to continue, "what we have to see is confirmation that the economy is slowing," said Brooks Nelson, a fund manager at Nelson Capital Management in Palo Alto, California.

U.S. CREDIT MARKETS

Next week's economic news, which includes the June unemployment report and the National Association of Purchasing Management's report on manufacturing, may have more of an impact on the bond market than the Fed meeting. While most analysts do not expect the Fed to raise rates next week, many foresee a rate increase in August.

Bonds could also see some of their recent gains if reports on manufacturing and June's job market show more economic strength than economists anticipate.

The purchasing managers' report Monday is expected to show a rise in manufacturing strength. Economists predict the group's index of business activity rose to 51.3 from 49.3. Readings above 50 suggest an expanding economy.

A government report Tuesday is expected to show that sales of new homes fell an annual 4 percent, to 745,000 in May, as high mortgage rates discouraged purchases. But investors said the Labor Department tally of June payrolls, scheduled for release Friday, will determine which way interest rates head. Analysts expect an increase of 156,000 jobs.

Global Bond Activity Slows
But Spain and Italy Bucked Trend in 2d Quarter

By Carl Gewirtz
International Herald Tribune

PARIS — After record first-quarter activity, new-issue volume in the international bond market slowed 22 percent in the second quarter, quarterly data from Salomon Brothers Inc. showed.

Despite the downturn, total activity of \$139.8 billion made the latest quarter the third most active period, slightly behind the first quarter of 1993.

But two sectors stood out in bucking the overall quarterly trend: Issues denominated in Italian lire rose 16 percent in the latest three months to the equivalent of \$6 billion, while business in Spanish pesetas rose 81 percent to the equivalent of \$3.2 billion.

While issuers were attracted by the availability of low swap rates, investors were clearly running after performance.

The Spanish and Italian markets provided the best returns during the quarter, according to Salomon Brothers.

The J.P. Morgan Government Bond Index, which measures interest accrued during the period as well as changes in the price at which government paper trades, ranked Italy as the best-performing market, with an 8.06 percent return measured in local currency. The Spanish market was second at 6.10 percent.

The other peripheral European markets, where bond yields are between 1.5 and 3 percent, posted lower returns.

By comparison, the Morgan overall index advanced 1.65 percent in the second quarter, and the European segment of the index was up only 3 percent.

"The high-yielders continued to perform at the top of the return charts, as optimistic prospects of European economic and monetary union influenced investor preferences," the Morgan study reported.

The report added that "fund managers"

overweight positions in high-yield bonds and currencies continue to support the sector."

The counterpart of this confidence was a slumping of the core European markets. This was visible with the nearly across-the-board decline in the value of the Deutsche mark, which fell 0.8 percent against the French franc, 3 percent

'Optimistic prospects of European economic and monetary union influenced investors.'

against the Swedish krona and more than 5 percent against the lira in the second quarter.

Reduced demand for marks also damaged the ability of issuers to swap from fixed-coupon liabilities to floating-rate or into other currencies. As a result, activity in mark-denominated international bonds plummeted 43 percent, to the equivalent of \$1.7 billion.

New issues denominated in guilders, equal to \$3 billion, were 58 percent below the pace of the first quarter. The decline was 20 percent for both Swiss and French francs, where volume amounted to \$6.4 billion in Swiss francs and \$9.3 billion in French francs.

Activity in yen was virtually stable at the equivalent of \$19 billion, giving the yen a 13 percent share of total business. But nearly all the yen paper was sold to Japanese investors, who continue to shun investment in foreign currencies.

The U.S. dollar, as usual, was the predominant sector with new issues of \$59.5 billion. With activity down 15 percent from the first quarter, the dollar widened its market share to 43 percent of total business from 39 percent.

The feature of the dollar market was the sustained activity in issuance of floating-rate notes, which provide investors with the best protection in an environment where rates are expected to be rising.

Floating-rate notes accounted for 39 percent of the dollar market, up from 33 percent in the first quarter.

"Demand for FRNs is coming from banks and liquidity managers who are capital-rich and hungry for assets," said John Lipsky, chief economist at Salomon Brothers.

"Although there is some risk bond-market yields will move higher before U.S. growth decelerates and inflation fears are tempered," Mr. Lipsky said, in a medium-term view, "the move to lower yields and a steady to stronger dollar should keep demand intact for dollar-denominated assets and sustained activity in the international capital market."

Fund Cancels Rights Offering

The Alliance World Dollar Fund, a developing-country debt mutual fund, passed up the opportunity to raise fees to preserve its dividend, Bloomberg Business News reported from New York.

The fund, which invests in bonds issued by countries in Latin America, Eastern Europe and Asia, opted Friday to cancel a rights offering because of concerns the fresh cash could not be invested to generate enough income.

"As the market for emerging market debt improved over the past couple of months, the yields have come down," said Wayne Lyski, who oversees developing country debt securities, including the Alliance World Dollar Fund.

Don Cassidy, an analyst at Lipper Analytical Services Inc., said the move was unusual because fund companies were more likely to cancel share offerings if a drop in the market had caused demand to dry up.

But the decision was a boon for existing shareholders. Concerns that a rights offering would dilute holdings by as much as 25 percent had helped weigh down the fund, which was the third-best performing emerging market debt fund in 1995 out of 66 funds, gaining 41.7 percent, according to Micropal Emerging Market Fund Monitor.

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending June 28. Prices supplied by Telekurs.

Risk Name Cpn Maturity Price Yield

Austrian Schilling

219 Austria 6% 06/20/05 101.8500 6.7500

Australian Dollar

236 Ford Credit Aus 8% 08/22/00 96.1925 8.7100

British Pound

191 Chester Rec 5.9750 11/20/03 99.8100 5.7900

208 Comm Union 9% 06/20/10 100.3750 9.4600

228 Sweden 7% 12/22/98 101.3750 6.7700

244 North Rock ES 6.1672 04/03/01 99.8100 6.1800

Deutsche Mark

1 Germany 6% 04/26/06 97.7567 6.7900

2 Germany 5% 02/21/07 99.3043 5.2900

3 Germany 8% 08/20/01 113.9825 7.8800

4 Germany 6% 02/21/02 101.3500 6.7500

5 Germany 6% 01/14/05 99.6850 6.5200

6 Germany 6% 05/22/05 102.4000 6.7100

7 Germany 6% 01/21/02 110.0750 7.2700

10 Germany 5% 08/22/00 101.7480 5.4500

12 Germany 6% 01/21/06 99.3043 5.2900

13 Germany 9% 03/05/05 105.7320 9.7000

14 Germany 5% 05/15/00 102.3650 5.7400

16 Germany 8% 09/20/01 111.4050 7.7100

18 Germany 6% 07/22/02 101.0200 6.7200

21 Treasury 6% 07/09/03 102.1250 6.4900

22 Germany 6% 07/20/01 111.8567 7.6000

24 Germany 6% 01/21/04 101.3500 6.7500

26 Germany 8% 07/21/97 104.7000 7.8800

28 Germany 6% 05/21/01 111.7900 7.4900

29 Treasury 6% 07/09/03 102.1250 6.4900

30 Treasury 6% 07/09/03 102.1250 6.4900

31 Germany 6% 05/22/05 102.4000 6.7100

32 Germany 6% 01/21/02 110.0750 7.2700

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70 Treasury 7% 01/21/04 101.3500 6.7500

71 Treasury 7% 01/21/04 101.3500 6.7500

72 Treasury 7% 01/21/04 101.3500 6.7500

Italian Lira

212 Italy 10% 11/01/00 106.4700 9.8600

241 Italy 9% 05/01/01 103.4000 9.1900

Japanese Yen

66 Sanit Bank Int 0% 05/31/01 107.5000 0.7000

129 World Bank 4% 12/20/04 112.14 4.2300

171 Exim Bk Japan 7% 07/24/99 102.5500 7.9600

209 World Bank 5% 03/26/03 113.99 4.4100

214 World Bank 4% 03/20/03 109.6750 4.1000

224 Italy 6% 09/22/02 109.2900 6.7400

228 Cor Housing Bk 4% 06/20/00 109.1250 4.1200

248 Abbey Natl 7% 21/00/01 122.99 99.5802 2.1100

Spanish Peseta

128 Spain 10.10 02/28/01 97.034 9.41

148 Spain 7.40 07/30/99 102.3925 7.22

158 Spain 12% 03/25/00 113.328 10.81

Swedish Krona

85 Sweden 11 01/21/99 110.1871 9.9800

114 Sweden 6% 02/09/05 86.5100 6.4000

120 Sweden 10% 05/25/00 110.3476 9.2900

122 Sweden 13 06/15/01 122.3449 18.3300

U.S. Dollar

15 Brazil Cap S.I. 4% 04/15/14 65.0628 6.7200

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CYBERSCAPE

Excite Narrows Down Field Of Net Searchers

SAN FRANCISCO — The crowded field of Internet search companies is set to get smaller, now that Excite Inc. has agreed to acquire McKinley Group Inc., the financially troubled company that runs the Magellan search directory.

George Bell, Excite's chief executive, said the deal, the details of which have yet to be ironed out, would give Excite the second most heavily used search site on the Internet after the Yahoo! Inc. site. Estimates of the transaction's value range from \$10 million to \$18 million.

"This is a space in which consolidation is inevitable," Mr. Bell said. "If you can pick your partners and gain ground at a reasonable price."

Keith Benjamin, an analyst with Robertson, Stephens & Co., said the acquisition, if completed, would let Excite absorb about \$5 million in revenue that McKinley would earn in 1996, along with 40,000 Website reviews and a marketing presence in Europe.

Although the two companies will merge financially, Bell said Excite would keep the McKinley name in cyberspace for strategic reasons. McKinley and Excite currently command two of the five most prominent spots for search engines on Netscape Communications Corp.'s web-browsing site. Excite also is one of two featured search engines on America Online Inc.'s web site. "This is all about shelf space," Mr. Bell said.

Internet Provider to Offer Cheap Fax Service

A major Internet-access provider and a software firm are planning to team up to offer inexpensive facsimile service over the Net.

NetCentric Inc. of Cambridge, Massachusetts, will announce a deal Monday to sell Internet-fax technology to Concentric Network of Cupertino, California. Concentric has 100,000 users throughout the United States and Canada.

In August, these users will have access to FaxStorm, a NetCentric product that will let them send faxes from their computers to any destination in the continental United States for as little as 2 cents per minute.

Concentric customers who sign up for fax service will receive free software that works with FaxStorm. They can pay a standard rate of 15 cents a minute, or sign up for package deals, such as 1,000 minutes' worth of faxes for \$19.95 a month.

Internet address: CyberScape@ihs-lib.demon.co.uk

Excite and
McKinley have
key 'shelf space'
on Netscape and
America Online.

Ireland Leads by Example Cuts in Public Spending Revived Sick Economy

By Tom Bueckle
International Herald Tribune

DUBLIN — As Europe seeks to sustain belief in the dogma of a single currency, the economic redemption of Ireland may bear the best witness.

In the early 1980s, the Irish republic was the sick man of Europe, with unrestrained government borrowing and wage increases pushing the country to the verge of bankruptcy. Inflation soared to 18 percent, the budget deficit exceeded 12 percent of gross domestic product and the biggest export was the Irish people, who left by the tens of thousands to seek work in the United States and elsewhere.

But in 1987, the government bit the bullet by adopting policies that are now de rigueur in principle, if not in practice, across Europe. Public spending was slashed, monetary policy was tightened and a national wage pact pegged pay increases at or below the rate of inflation.

Today, Ireland is one of only three EU countries, along with Luxembourg and Denmark, that have been judged in compliance with the Maastricht treaty criteria for a single currency. The budget deficit is projected at 2.6 percent of GDP this year, below the 3 percent Maastricht treaty target that Germany and France are struggling to achieve.

Even more important, Ireland is enjoying a boom

more characteristic of the tiger economies of East Asia than its moribund European Union partners. Growth has run at rate of 6.7 percent over the past two years, creating some 50,000 jobs in 1995 with nearly as many expected this year. That is little short of astonishing for a labor force of just over 1 million.

"Does adherence to the Maastricht criteria pay off in the end?" Finance Minister Ruairi Quinn said. "Our experience would be a resounding 'yes.' It does pay off, and we have the figures to show for it."

Ireland's track record and its enthusiasm for monetary union will carry added weight in the next six months as the country takes over the rotating presidency of the European Union.

Promising no let-up in the drive for a single currency, Mr. Quinn said that governments seeking to join monetary union in 1999 must defuse draft 1997 budgets this autumn that show deficits below the 3 percent ceiling. Ireland's history proves that lower deficits produce lower interest rates, higher growth and increased employment, Mr. Quinn said, although the payback can take several years to materialize.

Ireland still has its share of problems. Unemployment remains around 14 percent, the second-highest in Europe after Spain, and the long-term jobless have been left out of the boom. Much of the growth stems

See IRISH, Page 15

Dollar and Bonds Face Tense Week

By Carl Gewirtz
International Herald Tribune

PARIS — This promises to be a nervous week for currency and bond traders.

On Tuesday, the Federal Reserve Board's policymakers meet and, judging by last week's sharp rally in U.S. bond prices and the softness of the dollar against the Deutsche mark, it is a foregone conclusion that there will be no change in short-term U.S. interest rates.

In fact, analysts attributed much of the rally in the bond market to traders' covering short positions. Borrowed paper, which had been sold in anticipation prices would fall because of a rise in rates, was being repurchased on fears they would not be cut after all.

Likewise, in the currency market, the dollar eased after the Bundesbank announced that German rates

would stay steady. The dollar then slipped further as traders concluded it would get no fresh support from a rate increase by the Fed. The dollar ended the week at 1.5247 DM, down 1 penny from a week earlier.

Ian Douglas of Union Bank of Switzerland said developments this week were "likely to set the medium-term course" for the markets.

While no change in Fed policy is bound to feed further weakness of the dollar, the biggest danger from next week's data is the U.S. unemployment report for June, which is scheduled for Friday.

Forecasters see an increase of between 180,000 and 200,000 jobs. "Anything over 200,000, will feed fears that the Fed is behind the curve," said Jim O'Neill of Goldman Sachs & Co.

"The real issue to be clarified is whether the Fed is standing pat because the economy is really not so

strong or because it's getting silly" and placating politicians before the November elections, he said.

Any justification for the fear that the Fed might be dragging its collective feet would be bad news for the dollar and the U.S. bond market — and by extension the core European bond markets that take direction from developments in New York.

But even a neutral unemployment report is unlikely to spare the dollar from pressure if the Fed does not raise rates. This assumes that Boris N. Yeltsin wins re-election in the second round of presidential voting in Russia. Any upset there is bound to cause a rush into the dollar.

"Short-term interest rate differentials versus German are not so big as to warrant a dollar rally," said Ronald Leven of J.P. Morgan. "The dollar needs higher rates to build

See DOLLAR, Page 15

Gemina Holders Sign Off on Loss

Compiled by Our Staff From Dispatches

MILAN — Gemina SpA shareholders approved the Italian holding company's restated 1995 accounts, which confirm a loss of 694.5 billion lire (\$453.3 million), and illustrate a pattern of management abuses that has led to investigations of fraud.

Gemina, a unit of Fiat SpA, said group losses were revised from 631.6 billion lire previously stated because of charges related to losses at Gemina Capital Markets and Gemina Financial Products, which have ceased operations.

"Financial terrorism, that's what we've been through," said Romano Bellezza, one of dozens of shareholders who chided Gemina's board at the stockholders' meeting.

Gemina handed out documents prepared by outside auditors Reconta Ernst & Young and KPMG, detailing instances of irregular fund withdrawals, money transfers and unexplained losses.

The company's internal auditor, Luigi Guatri, warned further irregularities may be uncovered.

Gemina also said it paid 36 billion lire in the 15 months ended in March to 96 executives leaving the company. Moreover, three former managers of the securities unit were paid 6.7 billion lire to settle a lawsuit after they were terminated.

Two of the executives, Emilio Schneberg and Mariano Latini, are under investigation by Milan public prosecutors for fraud and tampering with balance sheets.

Gemina came under scrutiny after it uncovered losses of 590 billion lire at its RCS Editori SpA subsidiary in October. That sparked a fraud investigation and thwarted Gemina's planned megamerge with Ferruzzi Finanziaria SpA.

Referring to the merger, Gemina's chairman, Giorgio Rossi, said, "Super Gemina has been put aside, it's dead, buried, not to be mentioned ever again."

Gemina has racked up losses of 956.1 billion lire in two years.

(Bloomberg, Reuters)

Price Set for Mediaset Issue

Shares in Mediaset SpA are to go

on sale Tuesday at 7,000 lire per share, Reuters reported.

At 7,000 lire, the 20 percent stake on offer is worth 1.77 trillion lire. Mediaset, which is controlled by the former prime minister, Silvio Berlusconi, owns three nationwide TV channels and Italy's largest advertising company, Publitalia.

Brokers said they expected the placement to succeed, given the high profile of Mediaset, which had net profit of 454 billion lire in 1995.

Hanoi Beckons To Investors

Compiled by Our Staff From Dispatches

HANOI — Do Muoi, general secretary of the Vietnamese Communist Party, urged foreign investors Sunday to come to Vietnam, dispelling fears that a backlash against a shift to a market economy could slow the pace of reform.

Mr. Muoi made his comments to the eighth national Communist Party congress, at which the party's top leadership stayed intact.

Vietnam also plans to make it easier for foreign businesses to set up operations in the country by amending its law on foreign investments this year, a senior economic official said Saturday.

Do Quoc Sam, minister of planning and investment, said the National Assembly would try to resolve problems with foreign investors obtaining land-use permits and construction licenses when it amended the law.

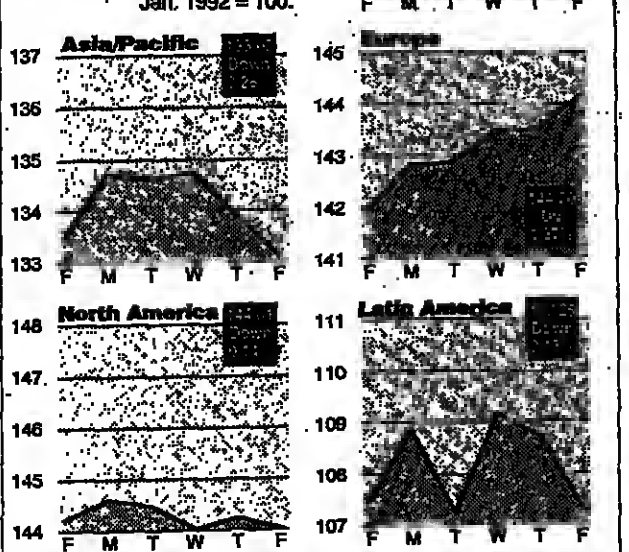
But General Vo Nguyen Giap, the mastermind of Vietnam's defeat of French colonial forces in the 1950s and U.S. troops in the 1970s, added his voice to those calling for caution in Vietnam's reform process. General Giap, 83, said reform policies Hanoi adopted 10 years ago were correct only as long as they put national interests first.

Some Vietnamese officials have blamed foreign influences for an increase in drug use, prostitution and gambling. (Bloomberg, Reuters)

THE TRIB INDEX

International Herald Tribune
World Stock Index, composed
of 280 internationally investable
stocks from 25 countries,
compiled by Bloomberg
Business News.

Week ending June 28,
daily closings.
Jan. 1992 = 100.



Industrial Sectors/Weekend close	Index	Change
Energy	146.87	+1.59
Utilities	130.37	+1.12
Finance	120.59	+0.74
Services	129.59	+1.33
Capital Goods	148.80	+1.36
Raw Materials	161.58	+2.12
Consumer Goods	148.02	+2.00
Miscellaneous	138.63	+1.58

The index lists U.S. dollar values of stocks in Tokyo, New York, London, and other centers. Argentina, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Sweden, Switzerland, Taiwan, Thailand, and Venezuela. For Tokyo, New York and London, the index is composed of the 30 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.

New York Notebook

Segregating Traders From 'Done' Deals

International Herald Tribune

Not many people outside a trading room know that uttering the simple word "done" signifies a legally binding deal. But that just starts the process of collecting the money.

Operations specialists in foreign exchange pooled their ideas last week at the Federal Reserve Bank of New York in a seminar, and at the top of everyone's best-practice list was an iron-clad rule barring traders from keeping their own books. "I don't have to go beyond the headlines to tell you how important it is to separate trading from settlement," said Arthur Magnus of J.P. Morgan & Co., head of the working group. Such names as Nicholas Leeson, Daiwa and Sumitomo were mentioned in the audience. One back-office manager from a money-center bank warned, "Too many fund managers and outright speculators come from the securities business and say, 'We'll wait for settlement.' Don't wait."

Back-office managers find themselves powerless against central banks in emerging markets that are trying to shield their currencies from speculation. They often regard the arrival of foreign-exchange dealers as an invasion of the body-snatchers.

"They throw up all kinds of weird rules," said the settlements manager of one big bank. For example, borrowing Indonesian rupiahs overnight to settle trades costs 24 percent interest, a heavy cost if a trader makes a mistake.

A Fund That Wishes on Stars

Because techies, value investors, and even voodoo economists cannot agree whether Wall Street is due for a blowout, why not try an astrologer?

Henry Weingarten, author of "Investing by the Stars" and manager of the Astrologer's Fund (Motto: "Always a stellar performance"), advised his clients May 23 that the market was due for a correction. It turns out that the Standard & Poor's 500-stock index hit its high for the year so far just the day before. What's his secret?

"We use planets as people use clocks," Mr. Weingarten said. "When they go into certain positions, we know it means change."

So what's ahead? In January and February, Jupiter (wealth), Uranus (fast money) and Neptune (easy money) will be in conjunction.

"That will be the peak of the tide," Mr. Weingarten said. "It will start going out after that." He predicted a 25 percent decline in stock prices during 1997 and 1998, with the bear market lasting until 2000.

The Value of Silence

The legend of the broadcaster Edward R. Murrow was examined at a seminar at the Museum of Television and Radio. Larry LeSueur, one of Mr. Murrow's colleagues, recalled that the journalist had inherited a sense of rhetoric from his mother's nightly Bible readings. Moreover, he said, Mr. Murrow had great phrasing because "Murrow knew one thing none of us knew — the value of silence."

— LAWRENCE MALKIN

Schneider Said to Confess

Bloomberg Business News

FRANKFURT — Deutsche Bank AG on Sunday welcomed German press reports that the fallen property magnate Jürgen Schneider had confessed to fraudulent accounting in Germany's biggest real-estate collapse ever.

Mr. Schneider, in jail awaiting trial for allegedly defrauding Deutsche Bank and other banks of billions of Deutsche marks in loans, has confessed to forging documents and operating phony companies, Der Spiegel magazine said in a report scheduled to appear Monday.

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Australia	1.78	2.05	1.33	0.87	0.71	—	—	—	—
Canada	0.72	0.82	0.55	0.35	0.28	—	—	—	—
France	1.36	1.55	1.00	0.65	0.52	—	—	—	—
Germany	1.36	1.55	1.00	0.65	0.52	—	—	—	—
Italy	1.36	1.55	1.00	0.65	0.52	—	—	—	—
Japan	1.36	1.55	1.00	0.65	0.52	—	—	—	—
Netherlands	1.36	1.55	1.00	0.65	0.52	—	—	—	—
Sweden	1.36	1.55	1.00	0.65	0.52	—	—	—	—
Switzerland	1.36	1.55	1.00	0.65	0.52	—	—	—	—
Taiwan	1.36	1.55	1.00	0.65	0.52	—	—	—	—
Thailand	1.36	1.55	1.00	0.65	0.52	—	—	—	—
UK	1.36	1.55	1.00	0.65	0.52	—	—	—	—
US	1.36	1.55	1.00	0.65	0.52	—	—	—	—

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To buy one pound in: To buy one dollar: Units of 100 N.L.G. not quoted N.L.G. not available.

Other Dollar Values

Per \$ Per £ Per 100 Per \$ Per £ Per 100

Australia 1.78 2.05 1.33 0.87 0.71 — — — — —

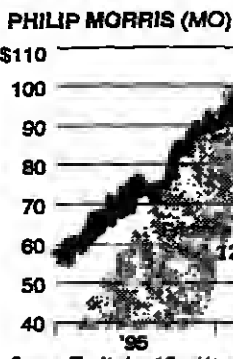
Canada 0.72 0.82 0.55 0.35 0.28 — — — — —

France 1.36 1.55 1.00 0.65 0.52 — — — — —

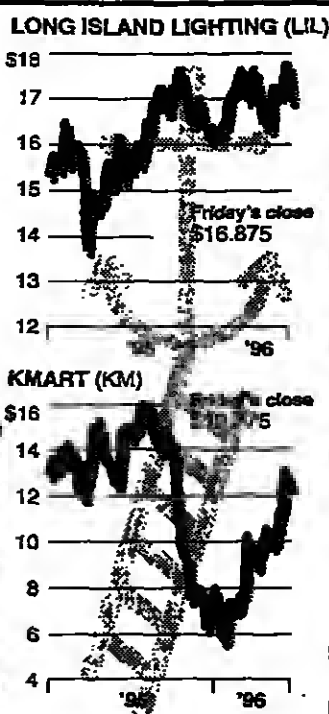
Figures as of close of trading
Friday, June 28

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The Putnam New Value fund, led by David L. King, has three types of shares - what he calls "anchors," paying fat dividends; "ramps," or depressed issues he expects to ramp back up; and "ladders," which he expects to keep climbing. Here is an example of each:



Source: The No-Load Fund Investor



NYT

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Big Blue Gets Bruised in Argentina

By Calvin Sims
New York Times Service

BUENOS AIRES — Allegations of bribery involving International Business Machines Corp. and the largest bank in Argentina have escalated into a crisis that threatens to damage IBM's business and reputation here.

The highly publicized case — in which the American computer maker has been accused of paying bribes to obtain a \$250 million computer contract from Banco de la Nación — has led the state-owned bank to cancel the contract. Meanwhile, prosecutors have begun investigating other IBM contracts with the government.

One prosecutor has even asked that former vice president for operations at IBM Argentina and the former head of Banco de la Nación, central figures in the scandal, be jailed pending trial.

Exactly what impact the case and its adverse publicity will have on IBM's business in Argentina remains unclear.

But some Argentine business leaders, who spoke on condition they not be named, said that while IBM's long-term prospects in Argentina remained good because of its technology and service, Big Blue would face increased scrutiny from clients in the short term.

"Customers are going to think twice before buying IBM," one banker said. After months of front-page headlines about the scandal, it appears that few

people here believe IBM when it says that while the handling of the contract was "inconsistent with company policy," its employees did nothing wrong.

Fred McNeese, director for international public relations, said IBM was very concerned about the negative publicity surrounding the Argentine contracts.

"What is happening is definitely distracting," he said, "because we want to be focusing on selling products and services

'Customers are going to think twice before buying IBM.'

rather than having to devote energies and time to defending ourselves from charges coming from all directions."

Latin America is an important market for IBM, accounting for 8 percent of its \$71.9 billion in worldwide sales in 1995.

Most large and small businesses in Argentina continue to rely on mainframe and midrange computers, of which IBM is the main supplier.

Mr. McNeese said the company was confident the scandal would have no impact on its business in Latin America.

"IBM has a reputation for highly ethical conduct and high business practices throughout the world," he said. "But any time that is questioned, it is not a light matter."

Prosecutors have accused IBM of funneling bribes to bank accounts of Banco de la Nación executives through two subcontractors. The prosecutors said the subcontractors, which IBM paid \$37 million for a backup computer system for the bank, were fronts. The backup computer system was not included in the original deal.

Banco de la Nación executives announced June 13 that they had canceled the contract with IBM, demanding that the company return \$85 million that had already been paid on the contract and asked for undisclosed penalties.

A week later, Argentine prosecutors began a criminal investigation into two IBM computer network contracts, valued at \$513 million, with the national tax revenue service. Investigators have said that the contracts were overpriced and disregarded standard government procurement procedures that require the contract to go to the lowest bidder.

Federal and state investigators are also looking into a \$28 million software deal IBM received with a state social services office, a \$30 million contract with the western province of Mendoza, a \$28.7 million deal for the computerization of another bank, and contracts for \$2.5 million with two municipalities in the province of Buenos Aires.

Mr. McNeese said IBM had reviewed the contracts under question and found no comparison between them and the Banco de la Nación contract.

Beating Currency Speculators

Governments Have Taken Control Back From Markets

By Erik Ipsen
International Herald Tribune

LONDON — After years of having their best-laid economic plans torn asunder by currency speculators, the leaders of the Group of Seven countries have ample reason for smugness.

But at the end of their annual meeting Friday in Lyon, they refrained from gloating, contenting themselves with a communiqué that simply said, "Exchange-market interventions can be effective and even decisive."

Many hedge funds, brokerage houses and banks have learned that lesson the hard way.

After having built massive operations to bet on the currency markets in recent years, many of them now acknowledge that profits in that game may never again rival those of its lucrative past. "The days of massed ranks of spot currency traders all making pots of money are over," said Michael Burke, senior cur-

rency economist at Citibank in London. "For most, margins on the business no longer cover their costs."

Currency traders make their money from volatility — from sharp swings in the values of the currencies they buy and sell — and volatility has been in short supply for the better part of a year. Along the way, leadership in determining the value of currencies has shifted decisively toward central banks and governments.

The results speak for themselves. "Now, there seems to be no major currency whose value is wildly different from where the authorities would like it to be," said Kit Juckes, currency strategist at NatWest Capital Markets Ltd.

Governments' success in taking control of their currencies from the markets has come not only from intervention, but more importantly, from the fact that for once, policymakers are singing from the same hymn. All agree on the dangers of inflation, of high budget deficits, and crucially, of misvalued currencies.

The calm that has now descended over trading in European currencies is reassuring to governments. Through an extraordinary exercise of political will, the 15 European Union economies have now converged as rarely before.

Their progress has been so impressive that even in the currency markets, the hothead of doubts over EU plans for a single currency by 1999, true believers in monetary union now probably hold the majority. "It has gained enormous credibility in the markets where people feel that even if all the economic conditions for union are not met the project will go ahead anyway," Mr. Burke said.

Market participants must now contemplate whether this new agreement on economic objectives among the industrial world's policymakers marks the end of an era. Most analysts are optimistic that volatility will rise again, despite their own predictions of placid markets extending until at least the end of the year.

DOLLAR: No Incentive to Buy

Continued from Page 13

upside momentum against the mark."

"It's a different story against the yen," he said, where the difference between short-term rates is already at a steep 5 percentage points, compared with only 2 percentage points, between the dollar and the mark.

"With the Bundesbank showing it's under no pressure to cut German rates and with the Americans not raising rates, there's no incentive to buy the dollar," said Neil Mackinnon of Citibank.

"The market is already very overweight the dollar,"

he added, meaning that those who need or want the currency are already holding it. "So there's no buying power to push it up."

Stable U.S. rates will "leave the dollar vulnerable" to a fall, forecast Joanne Perez of Banque Indosuez, possibly to 1.48 DM and 105 yen.

The dollar ended last week at 109.73 yen after touching a 28-month high of 109.98 yen. Traders reported a terrific end-of-the-quarter battle to prevent it from climbing above 110 yen — a level at which, allegedly, writers of options expiring Friday would have been exposed to huge payouts.

SHORT COVER

Grim News for Europe's Jobless

MUNICH (Reuters) — West European unemployment will increase this year and will not fall in 1997, the Ifo Institute for Economic Research forecast Sunday.

The privately funded German institute's June report said continued weak economic growth would cause the level of joblessness among West Europeans to increase by around half a percentage point in 1996, to 11.5 percent, with no perceptible drop in 1997.

Ifo also predicted that gross domestic product across Western Europe would increase 1.1 percent this year and 2.1 percent in 1997.

Washington Utility Drops Merger

SPOKANE, Washington (Bloomberg) — Washington Water Power Co. has called off its planned merger with Sierra Pacific Resources Co. after two years of failing to win regulatory approval for the transaction.

Washington Water Power said it had terminated the agreement because approval remained uncertain and projections of cost savings had fallen.

The proposed transaction still lacked Federal Energy Regulatory Commission approval, and three states had reserved the right to reconsider it after a federal ruling.

Chinese Exports Falling This Year

BEIJING (Combined Dispatches) — Exports declined 7.1 percent in the first five months of the year from a year earlier, the China Daily Business Weekly reported Sunday.

Exports totaled \$51.70 billion in the period, with shipments of textiles off 23 percent and tourism products down 26 percent. The drop in exports also affected China's indirect trade with Taiwan. While total China-Taiwan trade grew 1.8 percent in the first four months of the year, to \$6.81 billion, according to data from the Economics Ministry in Taipei, the growth came in exports from Taiwan, which rose 2.6 percent to \$5.83 billion. Taiwan's imports from China declined 2.8 percent, to \$973 million. (AFX, Bloomberg)

3M's Imation Spin-Off: A Bargain?

By Jon E. Hilsenrath
New York Times Service

NEW YORK — Wall Street analysts have not forgotten their previous official meeting with managers of Minnesota Mining & Manufacturing Co. two years ago.

The managers spoke optimistically about reviving their ailing data-storage and imaging business by introducing new products and cutting costs. But two years later, revenue at the division has fallen and it is struggling to recover from \$85 million in losses in 1995.

The division was spun off to form a new company, Imation Corp.

Investors who held 3M stock on Friday received one share of Imation for every 10 of their 3M shares. About 42 million shares of the company, whose chairman will be William T. Monahan, a senior 3M executive, will trade on the New York Stock Exchange.

Wall Street is likely to receive 3M's

division with caution. "A lot has to go right for this to be a good stock," said Peter Doyle, an analyst at The Spin-Off Report, a newsletter.

The 3M division that is becoming Imation had \$2.2 billion in sales last year. It makes more than 10,000 imaging and data-storage products, from computer disks to film to equipment for magnetic-resonance imaging.

INVESTING

While the products vary widely, many of them are in highly competitive markets, where changing technology has caused prices to drop sharply.

The new company's stock is likely to experience some initial selling pressure because it will not be a part of the Standard & Poor's 500 index — as is 3M — so mutual funds that invest only in index companies will have to sell their Imation shares.

In the "when issued" market, Imation

stock closed Friday at \$28.625. At that price, the company has a price-to-earnings ratio of just 16.8, based on its projected earnings for 1997. The corresponding ratio for the S&P 500 industrial companies is 18.5.

Several analysts said skepticism about Imation might provide an opportunity for bargain hunters.

Imation is beginning to market several of the products it was talking about two years ago, and it has high hopes for them.

It has also cut its number of employees to 10,000 from 12,000. That and other efforts to cut costs are expected to improve Imation's profit margins and operating cash flows.

Spin-offs also tend to outperform the market. Between 1991 and 1994, share prices of such companies rose by 28.2 percent in their first year, while stocks on the Nasdaq trading system rose 16.5 percent, said Barbara Goodstein, an analyst at Rothschild & Co.

Van Kampen Sale Unlikely to Dent Morgan

By Virginia Minger Kahn
New York Times Service

NEW YORK — When Morgan Stanley & Co. agreed to buy Van Kampen American Capital Inc. last week, it raised some eyebrows on Wall Street.

Van Kampen's largely domestic mutual fund business seems out of place, given Morgan Stanley's traditional focus on global financial markets and money management for institutions and wealthy people.

More important, almost a quarter of Van Kampen's fund sales come from other brokerage firms, such as Smith Barney Inc. and Merrill Lynch & Co., which compete with Morgan Stanley in providing financial services.

So how likely is it that such firms

will sell Morgan Stanley's funds through their brokers?

The issue is important for Morgan Stanley. Smith Barney, Van Kampen's largest distributor, accounted for 10 percent, or \$455 million, of total sales last year. If Morgan Stanley were to lose access to Smith Barney's brokers, or even if Smith Barney were to de-emphasize Van Kampen funds, Morgan Stanley would have to reassess the assumptions that went into its purchase of the fund company.

Executives on both sides of the deal indicate nothing of the kind will happen, and some outside analysts agree.

"We don't expect a lot of erosion in distribution," said Dean Eberling of Prudential Securities Inc. "But even if there were more than expected, I don't think it would dramatically affect the

economics of the transaction."

Before agreeing to the \$1.18 billion deal, which includes the assumption of \$430 million in debt, Morgan Stanley and Van Kampen negotiated with all of the fund company's major distributors to assess whether Morgan Stanley would face roadblocks in the acquisition.

Those firms — including Smith Barney, Merrill Lynch, Edward D. Jones & Co. and A.G. Edwards Inc. — assured Morgan Stanley that they would have no problem with its ownership of Van Kampen American Capital, said Philip N. Duff, chief financial officer of Morgan Stanley.

"It's business as usual," said Don G. Powell, president and chief executive of Van Kampen American Capital.

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June 28

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111	112	113	114	115	116	117	118	119	120
121	122	123	124	125	126	127	128	129	130
131	132	133	134	135	136	137	138	139	140
141	142	143	144	145	146	147	148	149	150
151	152	153	154	155	156	157	158	159	160
161	162	163	164	165	166	167	168	169	170
171	172	173	174	175	176	177	178	179	180
181	182	183	184	185	186	187	188	189	190
191	192	193	194	195	196	197	198	199	200
201	202	203	204	205	206	207	208	209	210
211	212	213	214	215	216	217	218	219	220
221	222	223	224	225	226	227	228	229	230
231	232	233	234	235	236	237	238	239	240
241	242	243	244	245	246	247	248	249	250
251	252	253	254	255	256	257	258	259	260
261	262	263	264	265	266	267	268	269	270
271	272	273	274	275	276	277	278	279	280
281	282	283	284	285	286	287	288	289	290
291	292	293	294	295	296	297	298	299	300
301	302	303	304	305	306	307	308	309	310
311	312	313	314	315	316	317	318	319	320
321	322	323	324	325	326	327	328	329	330
331	332	333	334	335	336	337	338	339	340
341	342	343	344	345	346	347	348	349	350
351	352	353	354	355	356	357	358	359	360
361	362	363	364	365	366	367	368	369	370
371	372	373	374	375	376	377	378	379	380
381	382	383	384	385	386	387	388	389	390
391	392	393	394	395	396	397	398	399	400
401	402	403	404	405	406	407	408	409	410
411	412	413	414	415	416	417	418	419	420
421	422	423	424	425	426	427	428	429	430
431	432	433	434	435	436	437	438	439	440
441	442	443	444	445	446	447	448	449	450
451	452	453	454	455	456	457	458	459	460
461	462	463	464	465	466	467	468	469	470
471	472	473	474						

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The High Low Cut On		Dr. 76		Dr. 75		Dr. 74		Dr. 73		Dr. 72		Dr. 71		Dr. 70		Dr. 69		Dr. 68		Dr. 67		Dr. 66		Dr. 65		Dr. 64		Dr. 63		Dr. 62		Dr. 61		Dr. 60		Dr. 59		Dr. 58		Dr. 57		Dr. 56		Dr. 55		Dr. 54		Dr. 53		Dr. 52		Dr. 51		Dr. 50		Dr. 49		Dr. 48		Dr. 47		Dr. 46		Dr. 45		Dr. 44		Dr. 43		Dr. 42		Dr. 41		Dr. 40		Dr. 39		Dr. 38		Dr. 37		Dr. 36		Dr. 35		Dr. 34		Dr. 33		Dr. 32		Dr. 31		Dr. 30		Dr. 29		Dr. 28		Dr. 27		Dr. 26		Dr. 25		Dr. 24		Dr. 23		Dr. 22		Dr. 21		Dr. 20		Dr. 19		Dr. 18		Dr. 17		Dr. 16		Dr. 15		Dr. 14		Dr. 13		Dr. 12		Dr. 11		Dr. 10		Dr. 9		Dr. 8		Dr. 7		Dr. 6		Dr. 5		Dr. 4		Dr. 3		Dr. 2		Dr. 1		Dr. 0		Dr. -1		Dr. -2		Dr. -3		Dr. -4		Dr. -5		Dr. -6		Dr. -7		Dr. -8		Dr. -9		Dr. -10		Dr. -11		Dr. -12		Dr. -13		Dr. -14		Dr. -15		Dr. -16		Dr. -17		Dr. -18		Dr. -19		Dr. -20		Dr. -21		Dr. -22		Dr. -23		Dr. -24		Dr. -25		Dr. -26		Dr. -27		Dr. -28		Dr. -29		Dr. -30		Dr. -31		Dr. -32		Dr. -33		Dr. -34		Dr. -35		Dr. -36		Dr. -37		Dr. -38		Dr. -39		Dr. -40		Dr. -41		Dr. -42		Dr. -43		Dr. -44		Dr. -45		Dr. -46		Dr. -47		Dr. -48		Dr. -49		Dr. -50		Dr. -51		Dr. -52		Dr. -53		Dr. -54		Dr. -55		Dr. -56		Dr. -57		Dr. -58		Dr. -59		Dr. -60		Dr. -61		Dr. -62		Dr. -63		Dr. -64		Dr. -65		Dr. -66		Dr. -67		Dr. -68
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De	Yd	Wd	Th	Fr	Sa	Su	De	Yd	Wd	Th	Fr	Sa	Su
1	2	3	4	5	6	7	8	9	10	11	12	13	14
15	16	17	18	19	20	21	22	23	24	25	26	27	28
29	30	31	1	2	3	4	5	6	7	8	9	10	11
12	13	14	15	16	17	18	19	20	21	22	23	24	25
26	27	28	29	30	31	1	2	3	4	5	6	7	8
9	10	11	12	13	14	15	16	17	18	19	20	21	22
23	24	25	26	27	28	29	30	31	1	2	3	4	5
6	7	8	9	10	11	12	13	14	15	16	17	18	19
20	21	22	23	24	25	26	27	28	29	30	31	1	2
3	4	5	6	7	8	9	10	11	12	13	14	15	16
17	18	19	20	21	22	23	24	25	26	27	28	29	30
31	1	2	3	4	5	6	7	8	9	10	11	12	13
14	15	16	17	18	19	20	21	22	23	24	25	26	27
28	29	30	31	1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20	21	22	23	24
25	26	27	28	29	30	31	1	2	3	4	5	6	7
8	9	10	11	12	13	14	15	16	17	18	19	20	21
22	23	24	25	26	27	28	29	30	31	1	2	3	4
5	6	7	8	9	10	11	12	13	14	15	16	17	18
19	20	21	22	23	24	25	26	27	28	29	30	31	1
2	3	4	5	6	7	8	9	10	11	12	13	14	15
16	17	18	19	20	21	22	23	24	25	26	27	28	29
30	31	1	2	3	4	5	6	7	8	9	10	11	12
13	14	15	16	17	18	19	20	21	22	23	24	25	26
27	28	29	30	31	1	2	3	4	5	6	7	8	9
10	11	12	13	14	15	16	17	18	19	20	21	22	23
24	25	26	27	28	29	30	31	1	2	3	4	5	6
7	8	9	10	11	12	13	14	15	16	17	18	19	20
21	22	23	24	25	26	27	28	29	30	31	1	2	3
4	5	6	7	8	9	10	11	12	13	14	15	16	17
18	19	20	21	22	23	24	25	26	27	28	29	30	31
32	33	34	35	36	37	38	39	40	41	42	43	44	45
46	47	48	49	50	51	52	53	54	55	56	57	58	59
60	61	62	63	64	65	66	67	68	69	70	71	72	73
74	75	76	77	78	79	80	81	82	83	84	85	86	87
88	89	90	91	92	93	94	95	96	97	98	99	100	101
102	103	104	105	106	107	108	109	110	111	112	113	114	115
116	117	118	119	120	121	122	123	124	125	126	127	128	129
130	131	132	133	134	135	136	137	138	139	140	141	142	143

Consolidated prices for all shares
traded during week ended Friday,
June 28

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Stocks	Chg	Yld	High	Low	Open	Close
IBM	1/4	4.5	125 1/4	124 3/4	125 1/4	125 1/4
GE	1/8	4.2	28 1/8	27 3/4	28 1/8	28 1/8
AT&T	1/4	5.2	38 1/4	37 3/4	38 1/4	38 1/4
Microsoft	1/2	1.2	34 1/2	34 1/4	34 1/2	34 1/2
Amazon	1/4	0.8	15 1/4	15 1/8	15 1/4	15 1/4
Google	1/2	0.5	28 1/2	28 1/4	28 1/2	28 1/2
Facebook	1/4	0.3	18 1/4	18 1/8	18 1/4	18 1/4
Twitter	1/8	0.2	12 1/8	12 1/4	12 1/8	12 1/8
LinkedIn	1/4	0.1	8 1/4	8 1/8	8 1/4	8 1/4
Slack	1/8	0.1	5 1/8	5 1/4	5 1/8	5 1/8
Zoom	1/4	0.1	4 1/4	4 1/8	4 1/4	4 1/4
Dropbox	1/8	0.1	3 1/8	3 1/4	3 1/8	3 1/8
Box	1/4	0.1	2 1/4	2 1/8	2 1/4	2 1/4
OneDrive	1/8	0.1	1 1/8	1 1/4	1 1/8	1 1/8
SharePoint	1/4	0.1	1 1/4	1 1/8	1 1/4	1 1/4
Office 365	1/8	0.1	1 1/8	1 1/4	1 1/8	1 1/8
Windows 10	1/4	0.1	1 1/4	1 1/8	1 1/4	1 1/4
Windows 7	1/8	0.1	1 1/8	1 1/4	1 1/8	1 1/8
Windows XP	1/4	0.1	1 1/4	1 1/8	1 1/4	1 1/4
Windows Vista	1/8	0.1	1 1/8	1 1/4	1 1/8	1 1/8
Windows Server	1/4	0.1	1 1/4	1 1/8	1 1/4	1 1/4
Windows Phone	1/8	0.1	1 1/8	1 1/4	1 1/8	1 1/8
Windows Embedded	1/4	0.1	1 1/4	1 1/8	1 1/4	1 1/4
Windows IoT	1/8	0.1	1 1/8	1 1/4	1 1/8	1 1/8
Windows 10 IoT	1/4	0.1	1 1/4	1 1/8	1 1/4	1 1/4
Windows 10 IoT Enterprise	1/8	0.1	1 1/8	1 1/4	1 1/8	1 1/8
Windows 10 IoT Enterprise LTSC	1/4	0.1	1 1/4	1 1/8	1 1/4	1 1/4
Windows 10 IoT Enterprise LTSC ARM64	1/8	0.1	1 1/8	1 1/4	1 1/8	1 1/8
Windows 10 IoT Enterprise LTSC ARM64-T8040	1/4	0.1	1 1/4	1 1/8	1 1/4	1 1/4
Windows 10 IoT Enterprise LTSC ARM64-T8040 ARM64-T8040	1/8	0.1	1 1/8	1 1/4	1 1/8	1 1/8
Windows 10 IoT Enterprise LTSC ARM64-T8040 ARM64-T8040 ARM64-T8040	1/4	0.1	1 1/4	1 1/8	1 1/4	1 1/4
Windows 10 IoT Enterprise LTSC ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040	1/8	0.1	1 1/8	1 1/4	1 1/8	1 1/8
Windows 10 IoT Enterprise LTSC ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040	1/4	0.1	1 1/4	1 1/8	1 1/4	1 1/4
Windows 10 IoT Enterprise LTSC ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040	1/8	0.1	1 1/8	1 1/4	1 1/8	1 1/8
Windows 10 IoT Enterprise LTSC ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040	1/4	0.1	1 1/4	1 1/8	1 1/4	1 1/4
Windows 10 IoT Enterprise LTSC ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040	1/8	0.1	1 1/8	1 1/4	1 1/8	1 1/8
Windows 10 IoT Enterprise LTSC ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040	1/4	0.1	1 1/4	1 1/8	1 1/4	1 1/4
Windows 10 IoT Enterprise LTSC ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040	1/8	0.1	1 1/8	1 1/4	1 1/8	1 1/8
Windows 10 IoT Enterprise LTSC ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040	1/4	0.1	1 1/4	1 1/8	1 1/4	1 1/4
Windows 10 IoT Enterprise LTSC ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040	1/8	0.1	1 1/8	1 1/4	1 1/8	1 1/8
Windows 10 IoT Enterprise LTSC ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040	1/4	0.1	1 1/4	1 1/8	1 1/4	1 1/4
Windows 10 IoT Enterprise LTSC ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040	1/8	0.1	1 1/8	1 1/4	1 1/8	1 1/8
Windows 10 IoT Enterprise LTSC ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040 ARM64-T8040	1/4	0.1	1 1/4	1 1/8	1 1/4	1

Stocks	Div Yld	Scale	52-Week High	Low	Close	Change
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
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99						
100						

Stocks		Div Yld		100% High		Low		Close		Change	
1	1.141	33	19	1	1	1	1	1	1	1	1
2	1.141	33	19	1	1	1	1	1	1	1	1
3	1.141	33	19	1	1	1	1	1	1	1	1
4	1.141	33	19	1	1	1	1	1	1	1	1
5	1.141	33	19	1	1	1	1	1	1	1	1
6	1.141	33	19	1	1	1	1	1	1	1	1
7	1.141	33	19	1	1	1	1	1	1	1	1
8	1.141	33	19	1	1	1	1	1	1	1	1
9	1.141	33	19	1	1	1	1	1	1	1	1
10	1.141	33	19	1	1	1	1	1	1	1	1
11	1.141	33	19	1	1	1	1	1	1	1	1
12	1.141	33	19	1	1	1	1	1	1	1	1
13	1.141	33	19	1	1	1	1	1	1	1	1
14	1.141	33	19	1	1	1	1	1	1	1	1
15	1.141	33	19	1	1	1	1	1	1	1	1
16	1.141	33	19	1	1	1	1	1	1	1	1
17	1.141	33	19	1	1	1	1	1	1	1	1
18	1.141	33	19	1	1	1	1	1	1	1	1
19	1.141	33	19	1	1	1	1	1	1	1	1
20	1.141	33	19	1	1	1	1	1	1	1	1
21	1.141	33	19	1	1	1	1	1	1	1	1
22	1.141	33	19	1	1	1	1	1	1	1	1
23	1.141	33	19	1	1	1	1	1	1	1	1
24	1.141	33	19	1	1	1	1	1	1	1	1
25	1.141	33	19	1	1	1	1	1	1	1	1
26	1.141	33	19	1	1	1	1	1	1	1	1
27	1.141	33	19	1	1	1	1	1	1	1	1
28	1.141	33	19	1	1	1	1	1	1	1	1
29	1.141	33	19	1	1	1	1	1	1	1	1
30	1.141	33	19	1	1	1	1	1	1	1	1
31	1.141	33	19	1	1	1	1	1	1	1	1
32	1.141	33	19	1	1	1	1	1	1	1	1
33	1.141	33	19	1	1	1	1	1	1	1	1
34	1.141	33	19	1	1	1	1	1	1	1	1
35	1.141	33	19	1	1	1	1	1	1	1	1
36	1.141	33	19	1	1	1	1	1	1	1	1
37	1.141	33	19	1	1	1	1	1	1	1	1
38	1.141	33	19	1	1	1	1	1	1	1	1
39	1.141	33	19	1	1	1	1	1	1	1	1
40	1.141	33	19	1	1	1	1	1	1	1	1
41	1.141	33	19	1	1	1	1	1	1	1	1

Stocks	Sales				
	Div	Yld	100-High	Low	Clos
100	100	100	100	100	100
101	101	101	101	101	101
102	102	102	102	102	102
103	103	103	103	103	103
104	104	104	104	104	104
105	105	105	105	105	105
106	106	106	106	106	106
107	107	107	107	107	107
108	108	108	108	108	108
109	109	109	109	109	109
110	110	110	110	110	110
111	111	111	111	111	111
112	112	112	112	112	112
113	113	113	113	113	113
114	114	114	114	114	114
115	115	115	115	115	115
116	116	116	116	116	116
117	117	117	117	117	117
118	118	118	118	118	118
119	119	119	119	119	119
120	120	120	120	120	120
121	121	121	121	121	121
122	122	122	122	122	122
123	123	123	123	123	123
124	124	124	124	124	124
125	125	125	125	125	125
126	126	126	126	126	126
127	127	127	127	127	127
128	128	128	128	128	128
129	129	129	129	129	129
130	130	130	130	130	130
131	131	131	131	131	131
132	132	132	132	132	132
133	133	133	133	133	133
134	134	134	134	134	134
135	135	135	135	135	135
136	136	136	136	136	136
137	137	137	137	137	137
138	138	138	138	138	138
139	139	139	139	139	139
140	140	140	140	140	140
141	141	141	141	141	141
142	142	142	142	142	142
143	143	143	143	143	143
144	144	144	144	144	144
145	145	145	145	145	145
146	146	146	146	146	146
147	147	147	147	147	147
148	148	148	148	148	148
149	149	149	149	149	149
150	150	150	150	150	150
151	151	151	151	151	151
152	152	152	152	152	152
153	153	153	153	153	153
154	154	154	154	154	154
155	155	155	155	155	155
156	156	156	156	156	156
157	157	157	157	157	157
158	158	158	158	158	158
159	159	159	159	159	159
160	160	160	160	160	160
161	161	161	161	161	161
162	162	162	162	162	162
163	163	163	163	163	163
164	164	164	164	164	164
165	165	165	165	165	165
166	166	166	166	166	166
167	167	167	167	167	167
168	168	168	168	168	168
169	169	169	169	169	169
170	170	170	170	170	170
171	171	171	171	171	171
172	172	172	172	172	172
173	173	173	173	173	173
174	174	174	174	174	174
175	175	175	175	175	175

[illegible][illegible][illegible]

7-1

SOMEDAY, RERUN, THIS IS WHERE YOU'LL BE STANDING, JUST LIKE THE REST OF US, WAITING FOR THE SCHOOL BUS..

IF I HIDE UNDER MY BED, THEY'LL NEVER FIND ME!

Sacher

IN THE COMMERCIALS, THIS COLA GREATLY INCREASES ONE'S SEX APPEAL.

CLICK CLICK CLICK

EUR-UP UP!!

YIP!!

PHOO! RIGHT UP MY NOSE.

© 1995 Jeff Smith

THE FAR SIDE

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the Jorgensen
(Hilda and Neil)

the Olsen
(Betty + ?)

picked up
into the pot?

Grandpa Bob

Emmy Rosa

Ned Ted

Uncle Andy

Mom

me

my sister

7-1

HAI, KIDS! WELCOME TO THE
KICK-OFF OF NATIONAL CHAR-
ACTER COUNTS WEEK! ALL
THIS WEEK, ME-AND-MANYOTHERS
WILL BE DISCUSSING CHARACTER!

BY PRESIDENTIAL PROCLAMATION,
THIS WEEK HAS BEEN DESIGNATED
A TIME TO CELEBRATE AND PRO-
MOTED SHARED VALUES ESSENTIAL
TO GOOD CHARACTER!

DICK 30 STATES HAVE SIGNED
ON TO PROMOTE THE 10 PILLARS
OF CHARACTER: RESPONSIBILITY,
TRUTHFULNESS, RESPECT, CAR-
ING, FIRMNESS AND CITIZENSHIP!

WELL, ABOUT
OTHER 20
STATES *

BUSINESS
AS USUAL!
PARTY ON,
YOU GUYS!

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PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST
THE WORLD'S DAILY NEWSPAPER

North Korea May Get Aid From South

Tanui, Hurt, Fails At 10,000 Meters

In the 5,000 metres, 25-year-old Tom Nyariki, running the distance for only the second time, beat favorite Paul Bitok. Ishmael Kirui, twice world champion, was fifth place and will not go to Atlanta.

Super Mario Comes Up Short

THOMAS. HE WOULD NEVER AGAIN

Best: Not quite. He was judged to have interfered with another rider in the tumultuous sprint and was dropped from

Czech with Panaria, not Cipollini. Alex Zille, a Swiss with ONCE, kept the yellow jersey he won by two seconds

Escaped the half dozen

Pete Sampras throwing himself into a backhand return on Center Court.

Sampras and Graf Win Solidly Despite Upsets at Wimbledon

Center Court by a straight-set, victory by

The bottom half of the draw has seen the worst of it. With the loss by No. 11 Wayne Ferreira Saturday, No. 13 Todd Martin is the sole seed remaining.

The Tour de France cyclists passing a Dutch windmill during first stage of the race.

France Beats Argentina To Win Rugby Series

Scilley put Argentina ahead again for the last time with a penalty after 18 minutes, but then a pushover try by

Australia 74, Canada 9 In Brisbane, Australia, Wallaby full-back Matthew Burke scored a record 39 points as Australia recorded its highest test score in trouncing Canada.

Australia had made seven changes to the side that beat Wales 42-3 in last Saturday's second test. On Sunday, Australia named three changes in its team for the first Bledisloe Cup match against

Stamp's Wrong, Norman's Out

"The ball that I used is a legal golf ball," said Norman, the event's defending champion, who was five strokes behind the second-round leader, Kevin Sutherland, when he disqualified himself. "It's been approved by the USGA" — the U.S. Golf Association — "but the difference is, there is a different stamping on my golf ball."

Norman said he learned his ball was illegal in a phone call from his wife Friday after a Maxfli official had called his Florida home to say the balls were improperly stamped. Norman contacted officials and, after discussion of the rules, withdrew.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS				
AMERICAN LEAGUE				
EAST DIVISION				
	W	L	Pct.	GB
New York	47	31	.603	—
Baltimore	46	32	.592	1 1/2
Toronto	35	43	.443	12 1/2
Boston	33	45	.425	14
Detroit	33	47	.288	25
CENTRAL DIVISION				
	W	L	Pct.	GB
Cleveland	48	31	.608	—
Chicago	46	33	.582	2
Minnesota	42	37	.525	7 1/2
Kansas City	34	47	.474	10 1/2
St. Louis	34	45	.282	14 1/2
WEST DIVISION				
	W	L	Pct.	GB
Seattle	48	31	.608	—
Texas	46	33	.582	6
California	40	40	.500	8
Oakland	32	47	.475	10 1/2
NATIONAL LEAGUE				
EAST DIVISION				
	W	L	Pct.	GB
Atlanta	49	30	.620	—
Montreal	46	33	.582	2
Philadelphia	42	37	.525	6
New York	39	42	.475	9 1/2
St. Louis	27	46	.368	12
Philadelphia	33	46	.410	16 1/2
CENTRAL DIVISION				
	W	L	Pct.	GB
Houston	41	40	.506	—
St. Louis	40	39	.506	—
Chicago	36	38	.486	5 1/2
Cincinnati	32	44	.421	10 1/2
Pittsburgh	36	43	.456	4
WEST DIVISION				
	W	L	Pct.	GB
Los Angeles	42	39	.519	—
San Diego	42	39	.519	—
Colorado	39	39	.500	1 1/2
San Francisco	36	42	.462	5 1/2

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G. Turner, New Zealand	66-70-70-71-577
F. Heahlu, New Zealand	67-68-71-71-577
P. Broadhurst, England	70-64-70-70-577
R. Walling, Wales	71-67-65-75-578
<p>W. Price in final bout of play-off</p>	
<p>RUGBY</p>	
<p>EUROPEAN SUPER LEAGUE</p>	
Sheffield 32, Warrington 16	
London 16, Bradford 22	
<p>AMERICAN CUP</p>	
Australia 74, Canada 9	
France 24, Argentina 15	
<p>OTHER CUPS</p>	
<p>IN STONEY, AUSTRALIA</p>	
South Queensland 20, Penrith 14	
Western Reds 11, Manly 8	
Canterbury 24, Newcastle 14	
Brisbane Broncos 18, Parramatta 34	
Sydney 20, Cronulla 20	
Auckland Warriors 32, Western Suburbs 16	
South Sydney 16, Gold Coast 16	
Sydney Tigers 15, North Queensland 16	
St. George 14, Manly 10	
<p>CLUBS CUPS</p>	
<p>IN SOUTH AFRICA</p>	
N. Transvaal 68, E. Transvaal 22	
South East Transvaal 15, Transvaal 15	
Free State 33, South Western Districts 20	
Gold 66, Eastern Province 21	
Free State 33, South Western Districts 20	
Eastern 22, Western Transvaal 22	
<p>FOOTBALL</p>	
<p>CFL STANDINGS</p>	
<p>ESTABLISH DIVISION</p>	

from Columbus, IL. Optimized LHP Billy Brown to Columbus.

Tombetta-Put RHP Bill Riley on 15-day disabled list. Reinvoke to June 26. Bought contract of RHP Scott Brown from Syracuse. IL Designated RHP Giovanni Carrozza for assignment.

NATIONAL LEAGUE

ATLANTA-Put OF Danny Beardsley on 15-day disabled list. Collected up INF Ed Grayson from Richmond, IL.

THE WEEK AHEAD

MONDAY, JULY 1

TENNESSEE, Wimbledon, England—Wimbledon tennis championships.

SOCCER, Bangkok—All vs. Singapore, qualifying. Group 3 Thailand vs. Australia, Burma vs. Maldives.

TUESDAY, JULY 2

TENNESSEE, Wimbledon, England—Wimbledon tennis championships, through July 7.

WEDNESDAY, JULY 3

BERNE, Zurich, Switzerland—FIFA World Cup, through July 4

ATHLETICS

Lausanne, Switzerland—IAAF Grand Prix, 4th All-Africa.

BASEBALL

Toronto, England—Somerset vs. Pakistan.

THURSDAY, JULY 4

BERNE, Lausanne—All-Africa Cup

[illegible]

Cleveland					SUNDAY'S RESULTS				
McDonald	000	000	007	2-3 7 8	Hirschbach's 100				
McDowell, Shovey (9) & S.Malone, P-3					Crumbich & Yokohama 2				
(8) Alvarez, Simas (8), R.Hammett (W-9)					Yokut & Hamachi 3				
McDonald, Shovey (9) & S.Malone, P-3					W. L. Ties Pct. GS				
(10) Alvarez, Simas (8), R.Hammett (W-9)					Nigger Hahn	41	28	2	.594
McDonald, Shovey (9) & S.Malone, P-3					Ortiz & Sells	2	2	553	29
(10) Alvarez, Simas (8), R.Hammett (W-9)					Kudrussi	32	33	0	.497
McDonald, Shovey (9) & S.Malone, P-3					Leffe	37	35	3	.485
(10) Alvarez, Simas (8), R.Hammett (W-9)					Dole	37	35	3	.485
McDonald, Shovey (9) & S.Malone, P-3					Doyle	26	40	1	.412
(10) Alvarez, Simas (8), R.Hammett (W-9)					SATURDAY'S RESULTS				
McDonald, Shovey (9) & S.Malone, P-3					Nigger Hahn & Leffe	2	2		
(10) Alvarez, Simas (8), R.Hammett (W-9)					Ortiz & Sells	4	4		
McDonald, Shovey (9) & S.Malone, P-3					Dole & Kudrussi	1	1		
(10) Alvarez, Simas (8), R.Hammett (W-9)					SUNDAY'S RESULTS				
McDonald, Shovey (9) & S.Malone, P-3					Leffe & Nigger Hahn	3	3		
(10) Alvarez, Simas (8), R.Hammett (W-9)					Dole & Kudrussi	4	4		
McDonald, Shovey (9) & S.Malone, P-3					Sells & Ortiz (4 1/2 rings)	1	1		
(10) Alvarez, Simas (8), R.Hammett (W-9)					SOCCER				
McDonald, Shovey (9) & S.Malone, P-3					ASIAN CUP QUALIFIERS				
(10) Alvarez, Simas (8), R.Hammett (W-9)					Thailand & Burma	1	1		
McDonald, Shovey (9) & S.Malone, P-3									
(10) Alvarez, Simas (8), R.Hammett (W-9)									
McDonald, Shovey (9) & S.Malone, P-3									
(10) Alvarez, Simas (8), R.Hammett (W-9)									
McDonald, Shovey (9) & S.Malone, P-3									
(10) Alvarez, Simas (8), R.Hammett (W-9)									
McDonald, Shovey (9) & S.Malone, P-3									
(10) Alvarez, Simas (8), R.Hammett (W-9)									
McDonald, Shovey (9) & S.Malone, P-3									
(10) Alvarez, Simas (8), R.Hammett (W-9)									
McDonald, Shovey (9) & S.Malone, P-3									
(10) Alvarez, Simas (8), R.Hammett (W-9)									
McDonald, Shovey (9) & S.Malone, P-3									
(10) Alvarez, Simas (8), R.Hammett (W-9)									
McDonald, Shovey (9) & S.Malone, P-3									
(10) Alvarez, Simas (8), R.Hammett (W-9)									
McDonald, Shovey (9) & S.Malone, P-3									
(10) Alvarez, Simas (8), R.Hammett (W-9)									
McDonald, Shovey (9) & S.Malone, P-3									

[illegible]

Atlanta	1	0	23	24	2
Birmingham	1	0	23	24	2
Chicago	0	1	23	23	3
Denver	0	1	23	23	3
Los Angeles	0	1	23	23	3
Memphis	0	1	24	27	0

WESTERN REGION					
Albuquerque	2	0	8	72	25
San Antonio	1	0	0	28	14
San Diego	1	0	0	28	14
San Francisco	0	1	13	23	3
Washington	0	1	0	12	39

FOURTH & FIFTH					
SATURDAY'S RESULTS					
SATURDAY'S RESULTS					
July 29, Whinnip 12					

TRANSITIONS					
BARRIAGE					
AMERICAN LEAGUE					
CLEVELAND-RHP Denny Deane Westcott					
St. Louis-Denny Deane Westcott					
RHP Denny Deane from Buffalo, AA					
KANSAS CITY-Southern transfer of C Henry					
Baltimore from Omaha, A; Sent Off Ohio					
transfers to Omaha, Outrighted RHP Denny					

SINGAPORE & BURMA					
GOLF, Newmarket-Hamersley, Ireland					
GOLF, Newmarket-Hamersley, Ireland					
through July 7; Lamont, Illinois -					
U.S. PGA Tour, Montreal Western Open,					
through July 6; Riverside, Ohio -					
U.S. Senior PGA Tour, U.S. Senior Open,					
through July 7; Higashi-Hamamatsu, Japan					
- Japan PGA Tour, Yonsei Open, through					
July					
CONCERT, Nottingham, England -					
England vs. India, third test, through July 9,					
July					
FRIDAY, JULY 5					
SOCCER, Oahu, Oahu - Japan Cup,					
quarterfinal, 7, Oahu vs. Kazakhstan,					
Oahu, Hawaii, Japan - Japan JPGA,					
Toro Solom Islands, through July 5;					
Sydney, Ohio - U.S. LPGA, Jamie Farr					
Korea Classic, through July 7					
GOLF, Newmarket-Hamersley, Ireland - IAAF					
Grand Prix, Model Stadium					
SATURDAY, JULY 6					

IHT Puts Baseball Stats on the Internet
All the box scores and the 1996 schedule on the IHT web site:
<http://www.iht.com/IHT/SPORTS/bbl.html>

SATURDAY'S RESULT
Kansas City 1, Dallas 0
STANDINGS Eastern Conference—
Tampa Bay 24 points; D.C. 13; NY-NJ 12;
Columbus 11; New England 9; Western
Conference—1st, Atlanta 22; Dallas 21; Kansas

9, Rubens Barmicheo, Brazil, Jordan-Peterson, 71, 10, Mika Saka, Finland, Tyrrell-Yamashita, 70.	
COACHES' STANDINGS: 1, Damon Hill, England, Williams-Renault, 63 points; 2, Jacques Villeneuve, Canada, Williams-Renault, 50; 3, Michael Schumacher, Germany, Ferrari, 46; 4, Damon Hill, England, Williams-Renault, 44; 5, Jacques Villeneuve, Canada, Williams-Renault, 39; 6, Michael Schumacher, Germany, Ferrari, 37; 7, Rubens Barrichello, Brazil, Jordan-Peterson, 31; 8, Mika Saka, Finland, Tyrrell-Yamashita, 27; 9, David Coulthard, Scotland, McLaren-Mercedes, 26; 10, Eddie Irvine, Ireland, Ford, 25; 11, Heinz-Harald Frey, Switzerland, Sauber, 24; 12, Alexander Wurz, Austria, Sauber, 23; 13, Jos Verstappen, Netherlands, Minardi, 22; 14, Nick Heidfeld, Germany, Sauber, 21; 15, Pedro Pablo Kuczajski, Poland, Arden, 19; 16, Olivier Beretta, France, Arden, 18; 17, Mark Blundell, England, Arden, 17; 18, Jos Verstappen, Netherlands, Minardi, 16; 19, Nick Heidfeld, Germany, Sauber, 15; 20, Jos Verstappen, Netherlands, Minardi, 14; 21, Jos Verstappen, Netherlands, Minardi, 13; 22, Jos Verstappen, Netherlands, Minardi, 12; 23, Jos Verstappen, Netherlands, Minardi, 11; 24, Jos Verstappen, Netherlands, Minardi, 10; 25, Jos Verstappen, Netherlands, Minardi, 9; 26, Jos Verstappen, Netherlands, Minardi, 8; 27, Jos Verstappen, Netherlands, Minardi, 7; 28, Jos Verstappen, Netherlands, Minardi, 6; 29, Jos Verstappen, Netherlands, Minardi, 5; 30, Jos Verstappen, Netherlands, Minardi, 4; 31, Jos Verstappen, Netherlands, Minardi, 3; 32, Jos Verstappen, Netherlands, Minardi, 2; 33, Jos Verstappen, Netherlands, Minardi, 1.	

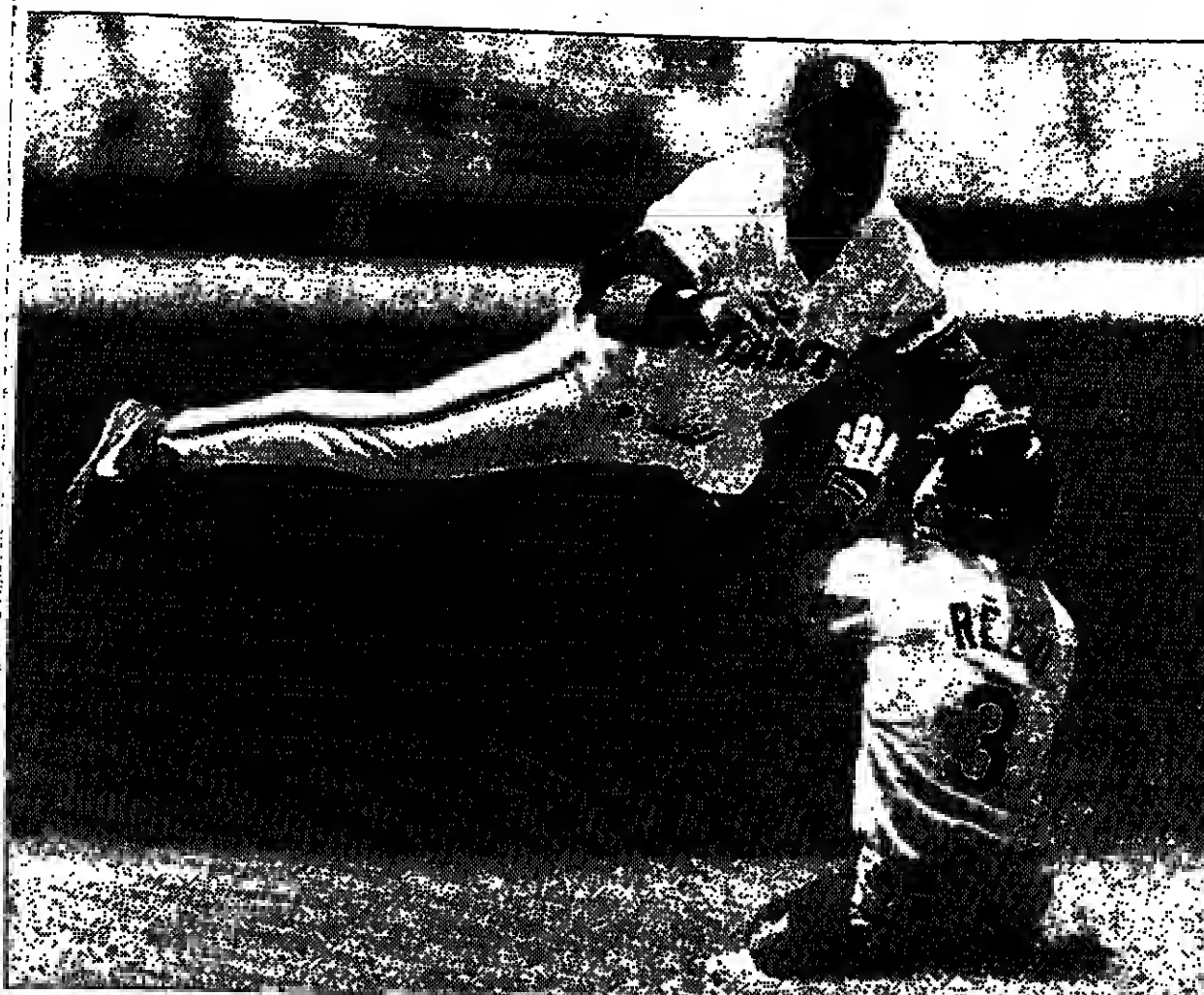
SUNDAY, JULY 7

soccer, Santiago, Chile — World Cup qualifying. Peru vs. Argentina, Colombia vs. Uruguay, Bolivia vs. Venezuela, Singapore

[illegible]

vs. Burma, Singapore vs. Maldives.

SPORTS



Giants' shortstop Shawn Dunston leaping over Jody Reed of the Padres to start a double play at second base.

Orioles Down Yanks, Cut Lead to 4½

Top 2 Teams in AL East Split 4-Game Series at Yankee Stadium

The Associated Press
David Wells pitched a four-hitter Sunday and Brady Anderson hit his 27th home run Sunday as the visiting Baltimore Orioles beat the New York Yankees, 9-1, salvaging a split of the four-game series between the top two teams in the AL East.

The Yankees' divisional lead was cut to 4½ games.

Wells (5-5) allowed a seventh-inning home run to Bernie Williams, but finished with a 4-0 record.

BASEBALL ROUNDUP

Wells improved to 13-4 against the Yankees and 9-1 at Yankee Stadium.

Anderson, hitless in his first 12 at-bats in the series, hit a three-run homer in the sixth after reliever Mark Hutton walked two. Anderson began the day tied with Sammy Sosa of the Chicago Cubs for the major-league home-run lead.

The Orioles took a 1-0 lead in the first on Rafael Palmeiro's RBI double off Ramiro Mendoza, and added five runs in the third.

Roberto Alomar opened with his 11th homer before B.J. Surhoff's RBI single and Luis Polonia's two-run single with the bases loaded made it 5-0.

Mark Hutton relieved Mendoza after Polonia's single, and with Chris Hoiles batting, the Orioles ran a double steal with Mike Devereaux scoring on Polonia's steal of second base.

Mendoza allowed six runs and eight hits in 2½ innings.

Red Sox 9, Tigers 4 Reggie Jefferson homered twice and had his second consecutive three-hit game, leading the Boston Red Sox to their third straight victory at Fenway Park over the Detroit Tigers.

Jefferson, who singled, doubled and tripled in three at-bats Saturday, homered his first two times up in the series finale. He also singled in the fifth and scored on Troy O'Leary's bases-

loaded triple that made it 9-3.

Tom Gordon earned his first victory in a month, settling down after allowing three runs in the first two innings on homers by Travis Fryman and Tony Clark. Gordon went 6½ innings, allowing four runs and six hits.

Blue Jays 15, Brewers 2 Erik Hanson, backed by three home runs, pitched seven strong innings as Toronto ended a three-game losing streak.

Carlos Delgado, Joe Carter and Ed Sprague homered, and Alex Gonzalez had three hits for the Blue Jays.

After giving up two runs in the first, Hanson (8-9) faced one batter over the minimum through the next six innings. He gave up two runs and five hits.

Dave Nilsson homered in the first inning for the Brewers, who have homered in 19 straight games but had their winning streak stopped at three.

Rickey Bones (6-9) walked three in the first inning, including John Olerud with the bases loaded to force in Toronto's first run. First baseman Kevin Seitzer allowed two runs to score when he let Shawn Green's grounder roll through his legs.

Toronto 15, Royals 2 Rookie Matt Lawton hit his first career grand slam, and Frank Rodriguez won his third straight game as visiting Minnesota beat Kansas City, the Twins' ninth victory in their last 10 games against the Royals.

Lawton, who hit a two-run homer Saturday night, hit his second of the season on a 3-2 pitch after the Twins had loaded the bases in the third. He has seven RBIs in his last two games.

Minnesota's Marty Cordova went 0-for-4, ending his hitting streak at 23 games — the longest in the majors this season.

Rodriguez (8-7) retired the first 13 batters before Michael Tucker doubled with one out in the fifth. Rodriguez lost his shutout when rookie Rod Myers followed with a two-out single for his first major-league hit and RBI.

In the National League:

Supers 8, Phillies 5 Pinch-hitter Cliff

Floyd hit a three-run homer with two outs in the ninth inning to cap a four-run rally and give Montreal victory in Philadelphia.

Floyd's second homer of the season came off Phillies closer Ricky Bottalico (2-4), who blew his third save in 19 chances. Floyd has hit both of his home runs as a pinch-hitter.

Trailing 5-2 with two outs, the Expos scored their third run when Shane Andrews singled home David Segui. Pinch-hitter Darrin Fletcher walked and was replaced by Andy Stankiewicz before Floyd, hitting for Mel Rojas (5-3), lined a homer over the right-center field wall.

Cardinals 10, Pirates 3 Todd Stottlemyre pitched six innings and helped himself with three hits, and Ron Gant drove in three runs as the St. Louis Cardinals completed a three-game sweep of Pittsburgh.

The Cardinals' sweep gave St. Louis its eighth straight victory at home. St. Louis, which began the day tied with Houston atop the NL Central, has won 12 of 17 overall.

The Pirates have lost nine of their last 13.

Pitching in 98-degree heat (36 degrees centigrade), Stottlemyre (7-6) gave up four hits in his stint. He became the first Cardinals pitcher to get three hits in a game since Scott Terry in 1989 with three singles, including two in one inning.

Cubs 6, Reds 0 Steve Trachsel pitched seven shutout innings in wilting heat, winning his career-high fourth straight decision while leading the visiting Chicago to victory over Cincinnati.

Trachsel (7-4) ended Cincinnati's seven-game winning streak by limiting the Reds to four hits and two walks. The right-hander has not allowed a run in his last 16 innings and has not lost since May 29, going 4-0 with two no-decisions.

The temperature was 94 degrees at game time and well over 100 on the artificial turf. Trachsel handled the conditions much better than did Dave Burba, who threw 120 pitches in 6½ innings.

NBA Free Agents Go to the Line

By Mike Wise
New York Times Service

The lead negotiator is the agent David Falk. He will do all he can to get Michael Jordan safely back to the Chicago Bulls and Juwan Howard back to the Washington Bullets, but he needs cooperation from the respective franchises. They must pay ransom.

The lead recruiter is Patrick Ewing, who is telling every player with a radar for a jump shot that Jeff Van Gundy is a swell guy and that New York fans are more loyal than fickle. The Knicks resemble the guy in the back row nodding at the Rembrandt until everyone else is outbid.

It is not a hostage situation, but it is close. It is not a high-profile college program in need of an all-American or an art auction, but it has elements of both. The greatest collection of National Basketball Association free agents officially put their services up for sale on July 1.

With more than one-third of the league's players eligible to go elsewhere — including Shaquille O'Neal, Jordan, Howard and Gary Payton — the league's power structure into the 21st century is at stake. Merely that.

"I'm talking to everybody," Ewing said last week, referring to his off-season job as the Knicks' recruiting coordinator. "I expect you to be in the running for Juwan Howard and a lot of guys. Reggie Miller. Allan Houston. No question. We can catch the Bulls."

So, if they spend their money right, can the Lakers, another team significantly under the league's \$24.3 million salary cap.

The players and owners agreed to the

terms of a six-year collective bargaining agreement on Friday, but a moratorium has been placed on all free-agent signings and trades until July 9. Instead of preparing contracts this weekend in anticipation of July 1, general managers have another week to plot and dream.

The Knicks have nearly \$9.5 million to spend — after they sign their three first-round draft choices — but the figure is a bit of ruse.

For example, they could give \$5 million of that figure to, say, Steve Smith in his first season. With the regular 20 percent annual raise kicking in, they could offer the Atlanta shooting guard \$37 million over five seasons — an average of \$7.4 million a season.

That would leave them with about \$4 million to spend on a second-tier free agent, say, Houston's Mario Elie. Miami's Chris Gatling or Washington point guard Robert Pack.

"We might also go with two second-tier players, too, depending on what scenario plays out," Grunfeld said. "A lot of teams will be calling the same players, but everything could happen in a matter of days."

Payton is also available, but that is a ruse as well. In the free-agent wars, you can do one of two things immediately: Put yourself in an instant position to give the Bulls a run or give your fellow general managers a good laugh at your expense.

If the Knicks were so bold (and naive and incompetent) to use all of their money on Jordan, they could dangle a three-year deal worth \$34.6 million in front of His Altness, only to have it rejected once the Bulls offer him \$40 million for two seasons.

In such a scenario, Chicago would be

exercising the league rule in which a team may spend any amount it wishes to re-sign its own free agents without it counting against their cap. For all their perceived intentions to woo O'Neal to the other Magic Kingdom, the Lakers would be fighting the same battle against Orlando. The Magic have reportedly offered O'Neal a deal worth nearly \$55 million for four years — an average of about \$13.7 million a season.

The Lakers may sweeten the deal, but the Magic can come right back and match or better it. O'Neal and other free agents — who supplement their income with endorsements and extras — have indicated money is not the sole determining factor in their decision.

Soon these players will either put their convictions where their heart is or do what many of their agents are telling them to do: use the Knicks and Lakers for leverage and then take the cash.

"A lot of guys are just going to stay with their own teams, simple as that," said Jerry Reynolds, Sacramento's player personnel director.

Dave Checketts, the Madison Square Garden president, said: "Pay attention to the reports that say a guy is staying with the team he plays for, not the other ones. There have been only a few big free agents move in the last few years, and Horace Grant was one. Teams just can't afford to let certain players go."

Howard is one such player, especially with the Bulls moving into a new arena. John Stockton. Reggie Miller. Alonzo Mourning. In a league driven by personalities as much as superstars, it would be extremely detrimental for Utah, Indiana or Miami to lose those players.

And the Shopping Season Starts in Hockey

By Joe Lapointe
New York Times Service

July 1 is to hockey what Thanksgiving is to Christmas: the beginning of the shopping season. The wheeling and dealing accelerates when the annual crop of National Hockey League free agents comes on the market, and the rush began at midnight Sunday.

This summer's big-ticket item is a faded star, Wayne Gretzky, and some might think it lunacy to pay the price he will command — even if it is marked down from the \$7 million a season he was thought to be discussing with the St. Louis Blues, his team for the

final weeks of last season.

Gretzky is a 35-year-old center whose skills, consistency and productivity are waning as he seeks his third team in six months. But any team signing him owes no compensation to the Blues. This freedom, for players 32 or older, was won by the National Hockey League Players' Association in the collective bargaining agreement that ended a 15-week lockout in January 1995.

Aside from Gretzky, two of the best free agents available are New York Rangers, Pat Verbeek and Jeff Beukeboom. Verbeek is unfettered, like Gretzky, because he also has an expired contract after

reaching age 32, putting him in the Group 3 category.

In exchange for this window of mobility for veterans the union gave up free-agent leverage for younger players and agreed to a rookie salary cap.

Other top free agents in Group 3 include centers Bernie Nicholls of Chicago and Craig MacTavish of Philadelphia and wings Kevin Dineen of Hartford and Joe Mullen of Boston.

Jeff Beukeboom, the Rangers' defenseman, falls into a category called Group 5, whose members, like those in Group 3, can leave without their teams' having the right to match an offer or to claim

draft-choice compensation.

Group 5 players win their freedom differently: Beukeboom has played 10 seasons professionally, his contract is finished, and last season he earned less than the average league salary of \$892,000.

In the two seasons before last, the average NHL wage was \$733,000 and \$562,000. The rise in average salary allows both the team owners and the union to claim victory. The owners, and NHL commissioner Gary Bettman, can say the rate of increase has slowed. The union can say the market correction was inevitable, and that a \$159,000 rise in the average wage is a good thing.

Young Gymnasts Lead Lives Without Sunlight

By George Vecsey
New York Times Service

BOSTON — Here's a sports statistic for you: Competitive gymnasts receive an average of one and a half minutes of sunlight a day. Presumably this is the amount of time it takes to dash from their parents' car to the gymnasium and back again.

Here's another sports statistic: Female gymnasts take in 500 milligrams of calcium a day, less than half the average requirement of 1,500 milligrams needed for the healthy development of bones.

I heard these two statistics from a nutritionist last week during a seminar called "What My Parents Did Right: Tips for Parents Raising Competitive Athletes." The seminar was part of the gymnastics trials for the U.S. Olympic team, that were scheduled to conclude Sunday with the women's finals.

Dominique Moceanu was not competing because she has a stress fracture in her right tibia. Shannon Miller was also not competing because she has tendinitis in her left wrist.

Both injuries are extremely frequent among young female gymnasts.

The lack of sunlight and the threat of poor health and injury are worth remembering as Americans prepare to watch the female gymnasts during the upcoming Games.

Evidence is mounting that all is not right on the gold-medal assembly line.

Stress, eating disorders,

physical injuries and even early death are a reality in this extremely popular sport, but at least USA Gymnastics is beginning to face the problem.

The tiny gymnasts are not exactly a latter-day version of the trapper boys of the coal mines earlier in the century. Then, lithe and slender boys were prized because of their ability to work in the dangerous narrow spaces, but they were often crushed by rock or machine.

Nowadays, lithe and slender girls are prized commodities in gymnastics — if they can remain lithe and slender. The rewards are glamour and success and fulfillment and medals, maybe even money.

THE DOWNSIDE of gymnastics is documented in "Little Girls in Pretty Boxes: The Making and Breaking of Elite Gymnasts and Figure Skaters," by Joan Ryan. The sad examples in Ryan's book are obviously just a minority of all participants, but they do point out the extremes, particularly the tragic case of Christy Henrich, once an Olympic contender, who died at 21 in 1994, weighing less than 50 pounds, the victim of severe eating disorders.

The "What My Parents Did Right" seminar was organized by Nancy Theis Marshall, the youngest member of the 1972 women's gymnastics team, now the mother of three children.

In 1992 Marshall organized a task force on the female-athlete triad — eating

disorders, amenorrhea (lack of menstrual cycle) and osteoporosis. She knows the subject personally.

"After the Olympics I faced some of the challenges of disordered eating," Marshall said. "I was in the category that does not eat healthily. I tried all the bad diets I could find, but fortunately my parents recognized the problem and gave me the tools to combat it."

Marshall tried to counsel Henrich as her weight began to decline.

"Christy wanted to get better, but she just couldn't make it," Marshall said with a tremor. "We want to raise the red flags. Christy's parents said that if they had known the red flags, they could have guided her better."

Claudia Miller, the mother of Shannon Miller, spoke at great length of the frantic family life of an Olympic athlete, including almost daily tensions with Miller's coach, Steve Nunn. It did not sound as if Shannon Miller gets more than a minute and a half of sunlight.

Some of the tips are basic. Dan Benardot, who has a Ph.D. in human nutrition and health planning, reminded people of the need to drink regularly, noting casually that plain water works just fine. He also said that skim milk does not provide the necessary Vitamin D for healthy bones in young athletes.

Benardot said athletes do not drink much, because they want to keep their weight down. It is a dangerous cycle.



Amanda Borden, 19, vaults at the U.S. Olympic trials.

THIS WEEK ON

EUROSPORT



The Motorcycle Grand Prix season reaches Germany; can World Champion Michael Doohan win at the Nürburgring after crashing out last year? The Tour de France is off and running and heading for the Alps; who will be wearing the Yellow Jersey as they head into the mountains?

- Motorcycling** : 6-7 July, LIVE, The German Grand Prix, Nürburgring. The eighth round of the season moves to Germany as the race for the Championship comes to the boil.
- Cycling** : 29 June-21 July, LIVE, The Tour de France. Miguel Indurain is attempting to make history as he goes for his sixth consecutive Tour de France victory.
- Athletics** : 3 July, LIVE, IAAF Grand Prix, Lausanne, Switzerland. Lausanne traditionally produces great sprinting, last year Mike Marsh trounced Bailey, Mitchell and Christie in winning the 100m.
- Golf** : 4-7 July, The Murphy's Irish Open, Dublin. Sam Torrance picked up his second Tour win of the year in Dublin last year after a three way play-off.

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